

**Annual report for the period
1 January to 31 December 2022**

WILA Ejendomme II ApS
C/O Aurora North ApS, August Bournonvilles Passage 1, 1055 København K
CVR no. 30 81 71 41

Adopted at the annual general meeting on 14 July
2023

Hannibal Busack Sjøberg
chairman

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Statement by management on the annual report

Today the executive board has discussed and approved the annual report of WILA Ejendomme II ApS for the financial year 1 January - 31 December 2022.

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 2022 and of the results of the company's operations for the financial year 1 January - 31 December 2022.

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, 14 July 2023

Executive board

Kristian Foss

Hannibal Busack Sjøberg

Zheng Yao

Independent auditor's report

To the shareholder of WILA Ejendomme II ApS

Opinion

We have audited the financial Statements of WILA Ejendomme II ApS for the financial year 1 January - 31 December 2022, 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 2022, and of the results of the Company's operations for the financial year 1 January - 31 December 2022 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, 14 July 2023
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Morten Schougaard Sørensen
State Authorised Public Accountant
MNE no. 32129

Company details

The company

WILA Ejendomme II ApS
C/O Aurora North ApS
August Bournonvilles Passage 1
1055 København K

CVR no.: 30 81 71 41

Reporting period: 1 January - 31 December 2022

Domicile: Copenhagen

Executive board

Kristian Foss
Hannibal Busack Sjøberg
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. The company has been taken over by Aurora Group in 2022.

Recognition and measurement uncertainties

Investment properties are valued at their fair values, according to the description in Accounting policies. The valuation includes accounting estimates and such valuation is therefore subject to some uncertainty. Please refer to note 6.

Changes in accounting policies

The company has chosen to change accounting policies with regard to measurement of properties from cost price less depreciation to measuring properties as investment properties at fair value with revaluation through income statement. Management assess that this is a more accurate presentation regarding the company's purpose with investments properties and in line with the accounting policies of the parent company.

Comparative figures have been changed in accordance with the new policy.

Management has assessed that the value adjustment at fair value is related to both the current financial year and prior financial years.

As a result of the change the value of the investment property in the balance is increased with DKK 14.037 thousand at 31 December 2022. The fair value adjustment is divided with DKK 7.615 thousand to 2022, DKK 8.500 thousand to 2021 and the remaining DKK -2.078 thousand relating to years before.

The profit for 2022 increased with DKK 7.615 thousand before tax and DKK 5.940 thousand after tax. The balance increased with DKK 14.037 thousand, deferred tax with DKK 3.088 thousand and equity increased with DKK 10.949 thousand at 31 December 2022.

The profit for 2021 increased with DKK 8.500 thousand before tax and DKK 6.630 thousand after tax. The balance increased with DKK 6.422 thousand, deferred tax with DKK 1.412 thousand and equity increased with DKK 5.009 thousand at 31 December 2021.

The amendment of how the value adjustment is divided between 2022, 2021 and 2020 is subject to uncertainty and based on estimates.

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

Management's review

Financial review

The company's income statement for the year ended 31 December 2022 shows a profit of DKK 8.863.886, and the balance sheet at 31 December 2022 shows equity of DKK 16.575.730.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Income statement 1 January - 31 December

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> DKK
Gross profit		4.047.907	4.290.567
Staff costs	2	-104.016	-182.594
Amortisation, depreciation and impairment losses		0	-19.600
Fair value adjustments of investment properties		<u>7.614.818</u>	<u>8.500.000</u>
Profit/loss before net financials		11.558.709	12.588.373
Financial income	3	1.248.909	0
Financial costs	4	<u>-1.443.324</u>	<u>-980.465</u>
Profit/loss before tax		11.364.294	11.607.908
Tax on profit/loss for the year	5	<u>-2.500.408</u>	<u>-2.555.865</u>
Profit/loss for the year		<u>8.863.886</u>	<u>9.052.043</u>
Extraordinary dividend for the year		10.373.253	0
Transferred to/from hedge fund		-838.220	689.385
Retained earnings		<u>-671.147</u>	<u>8.362.658</u>
		<u>8.863.886</u>	<u>9.052.043</u>

Balance sheet 31 December

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> DKK
Assets			
Investment properties		57.713.067	50.000.000
Other fixtures and fittings, tools and equipment		<u>0</u>	<u>148.400</u>
Fixed asset investments	6	<u>57.713.067</u>	<u>50.148.400</u>
Total non-current assets		<u>57.713.067</u>	<u>50.148.400</u>
Trade receivables		7.902	0
Receivables from group entities		1.055.354	144.118
Other receivables	7	1.659.739	0
Prepayments		<u>2.473</u>	<u>0</u>
Receivables		<u>2.725.468</u>	<u>144.118</u>
Cash at bank and in hand		<u>0</u>	<u>997.653</u>
Total current assets		<u>2.725.468</u>	<u>1.141.771</u>
Total assets		<u><u>60.438.535</u></u>	<u><u>51.290.171</u></u>

Balance sheet 31 December

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> DKK
Equity and liabilities			
Share capital		500.000	500.000
Reserve for current value of hedging		0	838.220
Retained earnings		<u>16.075.730</u>	<u>16.746.877</u>
Equity		<u>16.575.730</u>	<u>18.085.097</u>
Provision for deferred tax		<u>6.888.567</u>	<u>4.815.157</u>
Total provisions		<u>6.888.567</u>	<u>4.815.157</u>
Banks		0	6.283.162
Mortgage loans		33.682.040	10.125.179
Payables to group entities		0	506.853
Deposits		<u>1.053.750</u>	<u>3.312.933</u>
Total non-current liabilities	8	<u>34.735.790</u>	<u>20.228.127</u>
Short-term part of long-term debet	8	0	2.710.000
Trade payables		114.452	12.000
Payables to group entities		251.539	4.389.723
Joint taxation contributions payable		873.589	446.591
Other payables		998.868	598.197
Deferred income		<u>0</u>	<u>5.279</u>
Total current liabilities		<u>2.238.448</u>	<u>8.161.790</u>
Total liabilities		<u>36.974.238</u>	<u>28.389.917</u>
Total equity and liabilities		<u>60.438.535</u>	<u>51.290.171</u>

Statement of changes in equity

	Share capital	Reserve for current value of hedging	Retained ear- nings	Extraordinary dividend	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January 2022	500.000	838.220	16.746.877	0	18.085.097
Extraordinary dividend paid	0	0	0	-10.373.253	-10.373.253
Value adjustments for the year	0	-1.074.641	0	0	-1.074.641
Net profit/loss for the year	0	0	-671.147	10.373.253	9.702.106
Changes in equity of tax	0	236.421	0	0	236.421
Equity at 31 December 2022	500.000	0	16.075.730	0	16.575.730

	Share capital	Reserve for current value of hedging	Retained ear- nings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January 2021	500.000	148.835	10.462.273	11.111.108
Net effect from change of accounting policy	0	0	-2.078.054	-2.078.054
Adjusted equity at 1 January 2021	500.000	148.835	8.384.219	9.033.054
Value adjustments for the year	0	883.827	0	883.827
Net profit/loss for the year	0	0	8.362.658	8.362.658
Changes in equity of tax	0	-194.442	0	-194.442
Equity at 31 December 2021	500.000	838.220	16.746.877	18.085.097

Notes

1 Accounting policies

The annual report of WILA Ejendomme II ApS for 2022 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 selective choice of provisions applying to reporting class C entities.

The annual report for 2022 is presented in DKK

Changes in accounting policies

The company has chosen to change accounting policies with regard to measurement of properties from cost price less depreciation to measuring properties as investment properties at fair value with revaluation through income statement. Management assess that this is a more accurate presentation regarding the company's purpose with investments properties and in line with the accounting policies of the parent company.

Comparative figures have been changed in accordance with the new policy.

Management has assessed that the value adjustment at fair value is related to both the current financial year and prior financial years.

As a result of the change the value of the investment property in the balance is increased with DKK 14.037 thousand at 31 December 2022. The fair value adjustment is divided with DKK 7.615 thousand to 2022, DKK 8.500 thousand to 2021 and the remaining DKK -2.078 thousand relating to years before.

The profit for 2022 increased with DKK 7.615 thousand before tax and DKK 5.940 thousand after tax. The balanced increase with DKK 14.037 thousand, deferred tax with DKK 3.088 thousand and equity increased with DKK 10.949 thousand at 31 December 2022.

The profit for 2021 increased with DKK 8.500 thousand before tax and DKK 6.630 thousand after tax. The balance increased with DKK 6.422 thousand, deferred tax with DKK 1.412 thousand and equity increased with DKK 5.009 thousand at 31 December 2021.

The amendment of how the value adjustment is divided between 2022, 2021 and 2020 is subject to uncertainty and based on estimates.

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

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.

Notes

1 Accounting policies

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, cost of sale, other external expenses and other operating income.

Revenue

The Company has chosen IAS 11/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 distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Notes

1 Accounting policies

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 capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, 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.

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

Notes

1 Accounting policies

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

Other fixtures and fittings, tools and equipment

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, tools and equipment	5 years

Assets costing less than DKK 31.000 are expensed in the year of acquisition.

Impairment of fixed assets

The carrying amount of intangible assets, items of property, plant and equipment and investments in subsidiaries, associates and participating interests is tested annually for impairment, other than what is reflected through normal amortisation and depreciation.

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 comprise costs incurred concerning subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Notes

1 Accounting policies

Equity

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

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.

Prepayments

Prepayments recognized under liabilities include income received for income recognition in subsequent financial years. Prepayments are measured at cost.

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.

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

	<u>2022</u>	<u>2021</u>
	DKK	DKK
2 Staff costs		
Wages and salaries	103.722	174.780
Other social security costs	294	663
Other staff costs	<u>0</u>	<u>7.151</u>
	<u>104.016</u>	<u>182.594</u>
Average number of employees	<u>1</u>	<u>1</u>
3 Financial income		
Other financial income	1.191.905	0
Fair value adjustments of financial instruments	<u>57.004</u>	<u>0</u>
	<u>1.248.909</u>	<u>0</u>
4 Financial costs		
Financial expenses, group entities	431.289	162.981
Other financial costs	1.012.035	300.232
Fair value adjustments of financial instruments	<u>0</u>	<u>517.252</u>
	<u>1.443.324</u>	<u>980.465</u>
5 Tax on profit/loss for the year		
Current tax for the year	426.998	252.149
Deferred tax for the year	<u>2.073.410</u>	<u>2.303.716</u>
	<u>2.500.408</u>	<u>2.555.865</u>

Notes

6 Tangible assets

	Investment properties	Other fixtures and fittings, tools and equipment
	DKK	DKK
Cost at 1 January 2022	55.242.476	168.000
Additions for the year	98.249	0
Disposals for the year	0	-168.000
Cost at 31 December 2022	<u>55.340.725</u>	<u>0</u>
Revaluations at 1 January 2022	-5.242.476	-19.600
Revaluations for the year	<u>7.614.818</u>	<u>19.600</u>
Revaluations at 31 December 2022	<u>2.372.342</u>	<u>0</u>
Impairment losses and depreciation at 1 January 2022	<u>0</u>	<u>0</u>
Impairment losses and depreciation at 31 December 2022	<u>0</u>	<u>0</u>
Carrying amount at 31 December 2022	<u>57.713.067</u>	<u>0</u>
Fair value level	<u>3</u>	<u>0</u>

Investment properties:

The valuation is based on a DCF-model with a WACC of 10,00% (2021: 10,00%) and a budget period of 10 years and a terminal value of DKK 26.170 thousand. Inflation is assumed to be 2,00% as average over time (2021: 2,00%). The property is a commercial property placed in the area of Silkeborg. Rent is expected to increase with 2,00% per year. No vacancy is expected. The valuation corresponds to DKK 6.847 per sqm. If valuation was based on a WACC of 10,25% the value would be DKK 56.305 thousand and if based on a WACC of 9,75% the value would be DKK 59.193 thousand.

7 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 35.077 thousand. The fair value of this at 31 December 2022 amounts to DKK 761 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 valuation.

Notes

8 Long term debt

	Debt at 1 January 2022	Debt at 31 December 2022	Instalment next year	Debt outstan- ding after 5 years
	DKK	DKK	DKK	DKK
Banks	6.283.162	0	0	0
Mortgage loans	12.835.179	33.682.040	0	0
Payables to group entities	506.853	0	0	0
Deposits	3.312.933	1.053.750	0	1.053.750
	22.938.127	34.735.790	0	1.053.750

9 Contingent liabilities

The company is jointly taxed with Aurora DK HoldCo IV 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 3 June 2022.

10 Mortgages and collateral

Investment properties with a carrying amount of DKK 57.713 thousand at 31 December 2022 have been provided as collateral for debt to mortgage credit institutions of DKK 33.682 thousand.

Furthermore, the investment properties have been provided as collateral for debt in sister companies in the Aurora Group