

ESHF 2 Aarhus Student ApS
Kristen Bernikows Gade 4, 1, 1105 København K

Annual report
2022

Company reg. no. 31 33 02 38

The annual report was submitted and approved by the general meeting on the 10 July 2023.

Alexander Juel Rosentorn
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Executive Board has approved the annual report of ESHF 2 Aarhus Student ApS for the financial year 2022.

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

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.

København K, 8 July 2023

Executive board

Kristina Olsen

Alexander Juel Rosentorn

Christian Gustaaf Teunissen

Frederik Evariste A. Snauwaert

Independent auditor's report

To the Shareholders of ESHF 2 Aarhus Student ApS

Opinion

We have audited the financial statements of ESHF 2 Aarhus Student ApS for the financial year 1 January - 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. The financial statements are prepared under 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 the 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 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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 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.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

Independent auditor's report

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 8 July 2023

Martinsen

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

Leif Tomasson
State Authorised Public Accountant
mne25346

Maj-Britt Lykke Viskum
State Authorised Public Accountant
mne35478

Company information

The company

ESHF 2 Aarhus Student ApS
Kristen Bernikows Gade 4, 1
1105 København K

Company reg. no. 31 33 02 38

Domicile:

Financial year: 1 January - 31 December
6th financial year

Executive board

Kristina Olsen
Alexander Juel Rosentorn
Christian Gustaaf Teunissen
Frederik Evariste A. Snauwaert

Auditors

Martinsen
Statsautoriseret Revisionspartnerselskab
Øster Allé 42
2100 København Ø

Parent company

XIOR Student Housing NV

Management´s review

The principal activities of the company

Like previous years, the principal activities is to own, develop, lease, purchase and sell real estate.

Development in activities and financial matters

The gross loss for the year totals DKK -3.384.000 against DKK -2.751.000 last year. Income or loss from ordinary activities after tax totals DKK -13.383.000 against DKK 53.580.000 last year. Management considers the net loss for the year as expected.

Accounting policies

The annual report for ESHF 2 Aarhus Student 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.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

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.

Income statement

Gross loss

Gross loss comprises the cost of investment property, sales and external costs.

Other external costs comprise costs incurred for administration.

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, financial expenses from financial leasing, 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

Intangible assets

Development projects, patents, and licences

Development costs and internally generated rights are recognised in the income statement as costs in the acquisition year.

Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 10 years.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist.

Investment property

At the initial recognition, investment property is measured at cost, comprising the cost of the property and directly associated costs, if any.

Accounting policies

Hereafter, investment properties are measured individually at an estimated fair value. The properties are 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, form the basis for the fair value of the properties. Compared to the previous financial year, the method of measurement remains unchanged.

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 recognised 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.

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

Receivables

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

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

Accounting policies

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, ESHF 2 Aarhus Student 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.

Accruals and deferred income

Payments received concerning future income are recognised under accruals and deferred income.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Gross profit	-3.384.418	-2.751.482
Value adjustment of investment property	-22.150.126	72.361.469
Profit before net financials	-25.534.544	69.609.987
Other financial income from subsidiaries	1.374	0
Other financial expenses	-1.179.469	-29.787
Pre-tax net profit or loss	-26.712.639	69.580.200
1 Tax on net profit or loss for the year	13.330.000	-16.000.000
Net profit or loss for the year	-13.382.639	53.580.200
Proposed distribution of net profit:		
Transferred to retained earnings	0	53.580.200
Allocated from retained earnings	-13.382.639	0
Total allocations and transfers	-13.382.639	53.580.200

Balance sheet at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2022</u>	<u>2021</u>
Non-current assets		
2 Development projects in progress and prepayments for intangible assets	215.768	0
Total intangible assets	215.768	0
3 Investment property	646.968.577	350.950.000
Total property, plant, and equipment	646.968.577	350.950.000
Total non-current assets	647.184.345	350.950.000
Current assets		
Receivables from subsidiaries	100.548	50.548
Other receivables	0	539.907
Prepayments	25.937.732	2.965.019
Total receivables	26.038.280	3.555.474
Cash and cash equivalents	4.245.446	7.212.662
Total current assets	30.283.726	10.768.136
Total assets	677.468.071	361.718.136

Balance sheet at 31 December

All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Equity and liabilities		
Equity		
Contributed capital	125.000	125.000
Retained earnings	109.885.390	123.268.029
Total equity	110.010.390	123.393.029
Provisions		
4 Provisions for deferred tax	23.330.000	36.660.000
Total provisions	23.330.000	36.660.000
Long term liabilities other than provisions		
Payables to subsidiaries	519.483.410	188.081.923
5 Total long term liabilities other than provisions	519.483.410	188.081.923
Bank loans	0	7.784.047
Trade payables	3.454.914	1.434.904
Income tax payable	4.143.898	4.143.898
Other payables	4.792.342	960
Deferred income	12.253.117	219.375
Total short term liabilities other than provisions	24.644.271	13.583.184
Total liabilities other than provisions	544.127.681	201.665.107
Total equity and liabilities	677.468.071	361.718.136
6 Charges and security		
7 Contingencies		
8 Related parties		

Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2021	125.000	69.687.829	69.812.829
Profit or loss for the year brought forward	0	53.580.200	53.580.200
Equity 1 January 2022	125.000	123.268.029	123.393.029
Profit or loss for the year brought forward	0	-13.382.639	-13.382.639
	<u>125.000</u>	<u>109.885.390</u>	<u>110.010.390</u>

Notes

All amounts in DKK.

	<u>2022</u>	<u>2021</u>
1. Tax on net profit or loss for the year		
Adjustment for the year of deferred tax	-13.330.000	16.000.000
	<u>-13.330.000</u>	<u>16.000.000</u>
	<u>31/12 2022</u>	<u>31/12 2021</u>
2. Development projects in progress and prepayments for intangible assets		
Additions during the year	215.768	0
Cost 31 December 2022	<u>215.768</u>	<u>0</u>
Carrying amount, 31 December 2022	<u>215.768</u>	<u>0</u>
3. Investment property		
Cost 1 January 2022	215.400.639	94.939.108
Additions during the year	318.168.703	120.461.531
Cost 31 December 2022	<u>533.569.342</u>	<u>215.400.639</u>
Fair value adjustment 1 January 2022	135.549.361	63.187.892
Adjust of the year to fair value	-22.150.126	72.361.469
Fair value adjustment 31 December 2022	<u>113.399.235</u>	<u>135.549.361</u>
Carrying amount, 31 December 2022	<u>646.968.577</u>	<u>350.950.000</u>

Out of the costs, 20,6 mio DKK is interest costs.

The property is at a piece of land of 17.600 sqm based in Helsingforsgade Aarhus and is under construction and is expected completed in 2023. The property therefore is valued at cost which is determined to equals the fair value of the property. The property will be used as student accomodations.

The valuation of the investment property is using a residual method based on the expected sale price when the construction is finished less expected construction costs and less developerfee.

Compared to the previous financial year, the methods of measurement remain unchanged.

Notes

All amounts in DKK.

3. Investment property (continued)

The value is determined by external real estate assessor.

As the property is not yet build, there is natural uncertainty to the value.

4. Provisions for deferred tax

Provisions for deferred tax 1 January 2022	36.660.000	20.660.000
Deferred tax of the results for the year	<u>-13.330.000</u>	<u>16.000.000</u>
	<u>23.330.000</u>	<u>36.660.000</u>

5. Long term liabilities other than provisions

	Total payables 31 Dec 2022	Current portion of long term payables	Long term payables 31 Dec 2022	Outstanding payables after 5 years
Payables to subsidiaries	<u>519.483.410</u>	<u>0</u>	<u>519.483.410</u>	<u>519.483.410</u>
	<u>519.483.410</u>	<u>0</u>	<u>519.483.410</u>	<u>519.483.410</u>

6. Charges and security

The company has issued mortgages registered to the owners totalling MIO DKK 534 which is in the possession of the company. The mortgages registered to the owners provide security on the above land.

The bank has issued underlying mortgage for all bankdebt, which amounts to T.DKK 0.

7. Contingencies

Contingent liabilities

Guarantee commitments:

The company has given a payment guarantee to Aarhus Municipality on TDKK 2,000.

Joint taxation

With BaseCamp Student Operations ApS, company reg. no 36934085 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.

Notes

All amounts in DKK.

7. Contingencies (continued)

Joint taxation (continued)

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.

The jointly taxed enterprises' total known net liability to the Danish tax authorities emerges from the financial statements of the administration company.

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

8. Related parties

Consolidated financial statements

The company is included in the consolidated annual accounts of XIOR Student Housing NV, Mechelsesteenweg 34, Box 108, 2018 Antwerp, Belgium