

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

Annual report
2021

Company reg. no. 31 33 02 38

The annual report was submitted and approved by the general meeting on the 26 May 2022.

Monique Jaqqam
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 2021.

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 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021.

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, 26 May 2022

Executive board

Monique Jaqqam

Armon Nathan Mordecia Bar-Tur David Justin Irving Hamer

Kristina Olsen

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 2021, 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 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 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, 26 May 2022

Martinsen

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

Leif Tomasson

State Authorised Public Accountant
mne25346

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
5th financial year

Executive board

Monique Jaqqam
Armon Nathan Mordecia Bar-Tur
David Justin Irving Hamer
Kristina Olsen

Auditors

Martinsen
Statsautoriseret Revisionspartnerselskab
Øster Allé 42
2100 København Ø

Parent company

ESHF Holding S.à.r.l.

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 -2.751.000 against DKK 4.907.000 last year. Income or loss from ordinary activities after tax totals DKK 53.580.000 against DKK -28.884.000 last year. Management considers the net profit or loss for the year satisfactory.

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

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

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.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

Accounting policies

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.

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 company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable by the Danish consolidated companies is paid to the tax authorities by the company.

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 property

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

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".

Accounting policies

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 and on hand.

Income tax and deferred tax

As administration company, ESHF 2 Aarhus Student ApS is liable to the tax authorities for the subsidiaries' corporate income taxes.

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 "Income tax receivable" or "Income tax payable".

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.

Accounting policies

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>2021</u>	<u>2020</u>
Gross profit	-2.751.482	4.907.238
Value adjustment of investment property	72.361.469	-38.749.107
1 Staff costs	<u>0</u>	<u>-420.000</u>
Profit before net financials	69.609.987	-34.261.869
Other financial income	0	518.497
Other financial expenses	<u>-29.787</u>	<u>-4.267.467</u>
Pre-tax net profit or loss	69.580.200	-38.010.839
2 Tax on net profit or loss for the year	<u>-16.000.000</u>	<u>9.127.199</u>
Net profit or loss for the year	<u>53.580.200</u>	<u>-28.883.640</u>
Proposed appropriation of net profit:		
Transferred to retained earnings	53.580.200	0
Allocated from retained earnings	<u>0</u>	<u>-28.883.640</u>
Total allocations and transfers	<u>53.580.200</u>	<u>-28.883.640</u>

Balance sheet at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2021</u>	<u>2020</u>
Non-current assets		
3 Investment property	350.950.000	158.127.000
Total property, plant, and equipment	<u>350.950.000</u>	<u>158.127.000</u>
Total non-current assets	<u>350.950.000</u>	<u>158.127.000</u>
Current assets		
Receivables from subsidiaries	50.548	0
Other receivables	539.907	557.086
Prepayments	<u>2.965.019</u>	<u>0</u>
Total receivables	<u>3.555.474</u>	<u>557.086</u>
Cash and cash equivalents	<u>7.212.662</u>	<u>18.318.921</u>
Total current assets	<u>10.768.136</u>	<u>18.876.007</u>
Total assets	<u>361.718.136</u>	<u>177.003.007</u>

Balance sheet at 31 December

All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Equity and liabilities		
Equity		
Contributed capital	125.000	125.000
Retained earnings	123.268.029	69.687.829
Total equity	123.393.029	69.812.829
Provisions		
4 Provisions for deferred tax	36.660.000	20.660.000
Total provisions	36.660.000	20.660.000
Long term liabilities other than provisions		
Payables to subsidiaries	188.081.923	58.007.800
Total long term liabilities other than provisions	188.081.923	58.007.800
Bank loans	7.784.047	0
Trade payables	1.654.279	904.932
Income tax payable	4.143.898	4.143.898
Other payables	960	23.473.548
Total short term liabilities other than provisions	13.583.184	28.522.378
Total liabilities other than provisions	201.665.107	86.530.178
Total equity and liabilities	361.718.136	177.003.007
5 Charges and security		
6 Contingencies		
7 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 2020	125.000	98.571.469	98.696.469
Profit or loss for the year brought forward	0	-28.883.640	-28.883.640
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
	<u>125.000</u>	<u>123.268.029</u>	<u>123.393.029</u>

Notes

All amounts in DKK.

	<u>2021</u>	<u>2020</u>
1. Staff costs		
Salaries and wages	0	360.000
Pension costs	0	60.000
	<u>0</u>	<u>420.000</u>
Average number of employees	<u>0</u>	<u>1</u>
2. Tax on net profit or loss for the year		
Tax of the results for the year	0	4.143.898
Adjustment for the year of deferred tax	16.000.000	-12.511.898
Used in joint taxation, previous year	0	-759.199
	<u>16.000.000</u>	<u>-9.127.199</u>
3. Investment property		
Cost 1 January 2021	94.939.108	103.093.635
Additions during the year	120.461.531	45.466.684
Disposals during the year	0	-53.621.211
Cost 31 December 2021	<u>215.400.639</u>	<u>94.939.108</u>
Fair value adjustment 1 January 2021	63.187.892	101.936.999
Adjust of the year to fair value	72.361.469	-38.749.107
Fair value adjustment 31 December 2021	<u>135.549.361</u>	<u>63.187.892</u>
Carrying amount, 31 December 2021	<u>350.950.000</u>	<u>158.127.000</u>

Out of the costs, 4.108 T.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.

Notes

All amounts in DKK.

3. Investment property (continued)

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

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 2021	20.660.000	24.591.898
Deferred tax of the results for the year	<u>16.000.000</u>	<u>-3.931.898</u>
	<u>36.660.000</u>	<u>20.660.000</u>

5. 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 7.784.

6. Contingencies

Contingent liabilities

Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

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 liability relating to obligations in connection with withholding tax on dividends, interest, and royalties represents an estimated maximum of DKK 0.

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

Notes

All amounts in DKK.

7. Related parties

Consolidated financial statements

The company is included in the consolidated annual accounts of ESHF 2 Holding S.à.r.l., 19 rue de Bitbourg, L-1273 Luxembourg