

9 SMÅ HJEM A/S

**Classensgade 38
2100 København Ø**

CVR no. 35 42 43 18

**Annual report for the period
1 July 2022 to 30 June 2023**

Adopted at the annual general meeting
on 2 January 2024



Charlotte Henriette Weidinger Walshe
chairman

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Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of 9 SMÅ HJEM A/S for the financial year 1 July 2022 - 30 June 2023.

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

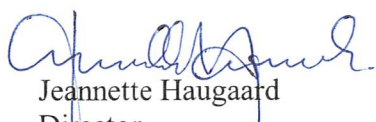
In our opinion, the financial statements give a true and fair view of the company's financial position at 30 June 2023 and of the results of the company's operations for the financial year 1 July 2022 - 30 June 2023.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

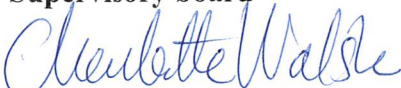
Copenhagen, 2 January 2024


Executive board


Jeannette Haugaard
Director



Supervisory board


Charlotte Henriette Weidinger
Walshe


Steven Henry Weidinger
Walshe


Sofie Emily Weidinger Walshe

Independent auditor's report on extended review

To the of 9 SMÅ HJEM A/S

Opinion

We have performed extended review of the financial statements of 9 SMÅ HJEM A/S for the financial year 1 July 2022 - 30 June 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

Based on the performed work it is our opinion, that the financial statements give a true and fair view of the company's financial position at 30 June 2023 and of the results of the company's operations for the financial year 1 July 2022 - 30 June 2023 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our extended review in accordance with the Danish Business Authority's standard on auditor's report for small enterprises and FSR - danish auditors' standard on extended review of financial statements in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the 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 responsibility for the extended review of the financial statements

Our responsibility is to express a conclusion on the accompanying financial statements. This requires us to perform procedures in order to obtain limited assurance for our conclusion on these financial statements, and in addition perform specifically required supplementary procedures in order to obtain additional assurance for our conclusion.

Independent auditor's report on extended review

An extended review of financial statements includes procedures primarily consisting of making inquiries of management and others within the entity, as appropriate, applying analytical procedures and the specifically required supplementary procedures, and evaluating the evidence obtained.

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

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.

In connection with our extended review 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 extended review, 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 Statements Act. We did not identify any material misstatement of management's review.

Samsø, 2 January 2024

Claus Carlsen
Statsautoriseret revisionsanpartsselskab
CVR no. 30 55 35 35



Claus Carlsen
Statsautoriseret Revisor
MNE no. mne18573

Company details

The company

9 SMÅ HJEM A/S
Classensgade 38
2100 København Ø

Telephone: 35261647

CVR no.: 35 42 43 18

Reporting period: 1 July 2022 - 30 June 2023

Domicile: Copenhagen

Supervisory board

Charlotte Henriette Weidinger Walshe
Steven Henry Weidinger Walshe
Sofie Emily Weidinger Walshe

Executive board

Jeannette Haugaard, director

Auditors

Claus Carlsen
Statsautoriseret revisionsanpartsselskab
Sildeballe 3
8305 Samsø

Management's review

Business review

As in previous years, the main activity has consisted of letting mainly residential leases and to a lesser extent commercial leases. The company itself owns and lets out the residential and commercial leases in 2 properties.

Financial review

The company's income statement for the year ended 30 June 2023 shows a loss of DKK 6.352.530, and the balance sheet at 30 June 2023 shows equity of DKK 50.564.041.

The result for the year is strongly influenced by the high inflation in the autumn/winter of 22/23. As a result, the turnover in hotel operations was declining.

Due to the rising interest rate development, the company has initiated measures to strengthen the result in the future and reduce the company's debt.

In connection with the valuation of the company's properties, the company's management has chosen to allow the return rate to rise from 3.25% in 2021/22 to 3.38% in 2022/23, reflecting the pressures that has been in the real estate market and interest rates until the cut-off date of 30/6 2023.

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.

Accounting policies

The annual report of 9 SMÅ HJEM A/S for 2022/23 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class B entities, as well as provisions applying to reporting class C entities.

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

The annual report for 2022/23 is presented in DKK

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.

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, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

Accounting policies

Hedge accounting

Fair value adjustments of financial instruments that are designated and qualify as fair value hedges of recognised assets or liabilities are recognised in the income statement together with any fair value adjustments of the hedged asset or liability that can be attributed to the hedged risk.

Changes in the fair value of financial instruments that are designated and qualify as hedges of expected future transactions are recognised in equity under retained earnings as regards the effective portion of the hedge. The ineffective portion of the hedge is recognised in the income statement. If the hedged transaction results in an asset or a liability, amounts deferred under equity are transferred to the cost of the asset or liability. If the hedged transaction results in income or expenses, amounts deferred under equity are transferred to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair value of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries, participating interests or associates are recognised directly in equity as regards the effective portion of the hedge, while the ineffective portion is recognised in the income statement.

Revenue

Rental income is recognized in the income statement as the rental has taken place, and if the income can be calculated reliably and is expected to be received.

Expenses for raw materials and consumables

Direct costs include costs for operating the properties, i.e. electricity, heating, property taxes, maintenance, etc.

Other operating income

The item Other operating income includes items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and items of property, plant and equipment, operating losses, indemnities relating to operating losses and conflicts as well as payroll refunds. Indemnities are recognised when it is more probable than not that the company is going to be indemnified.

Other operating expenses

Other operating expenses comprise items of a secondary nature relative to the company's activities, including losses on the sale of intangible assets and items of property, plant and equipment.

Accounting policies

Other external costs

Other external costs include costs for administration, loss of partners, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees.

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.

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 costs are recognized in the income statement with the amounts relating to the financial year. Financial items include interest income and costs, realized and unrealized price gains and losses relating to securities as well as allowances and reimbursement under the advance tax scheme, etc.

Tax on profit/loss for the year

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

Tangible assets

Investment properties

Investment properties comprises investments in land and buildings for purposes of gaining a return on the invested capital in the form of regular operating income and/or capital gains on resale.

Accounting policies

Investment properties are measured upon acquisition at cost price, including acquisition price and purchase costs.

In cases where a tenant moves out of a residential apartment after a long-term tenancy (min. 10 years) and there has been major damage to the tenancy as a result of the tenant's non-maintenance, an extensive improvement of the apartment takes place.

Costs for this renovation are capitalized and added to the purchase price.

Investment properties are subsequently recognized at fair value on the basis of a return model, where the rent is the current rent for the leases in question. A rate of return of 3.38 is used %.

It applies to the portfolio that there are no unlet apartments and that all apartments are let on normal terms

Interest expenses on loans are not recognised in cost during erection and reconstruction periods. All borrowing costs are amortised and recognised in the income statement over the term of the loan.

On subsequent recognition, investment properties are measured at fair value. Value adjustments of investment properties are recognised in the income statement.

Other securities and investments, fixed assets

Investments are measured at fair value.

Receivables

Receivables are measured at amortised cost.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

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. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the net proceeds and the nominal value is recognised in the income statement over the term of the loan.

Financial liabilities also include the capitalised residual finance lease commitment.

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Income statement 1 July 2022 - 30 June 2023

	Note	2022/2023 DKK	2021/2022 DKK
Gross profit		4.428.146	4.090.114
Staff costs	1	-4.218.580	-4.099.551
Profit/loss before amortisation/depreciation and impairment losses		209.566	-9.437
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-19.576	22.868
Other operating costs	2	-338.061	0
Profit/loss on activities before fair value adjustments		-148.071	13.431
Fair value adjustments of investment properties		-7.198.678	380.680
Profit/loss before net financials		-7.346.749	394.111
Financial costs	3	-688.110	-714.848
Profit/loss before tax		-8.034.859	-320.737
Tax on profit/loss for the year		1.682.329	83.941
Profit/loss for the year		-6.352.530	-236.796
Retained earnings		-6.352.530	-236.796
		-6.352.530	-236.796

Balance sheet at 30 June 2023

	Note	2022/23 DKK	2021/22 DKK
Assets			
Investment properties		118.787.883	125.986.561
Leasehold improvements		0	19.576
Tangible assets	4	118.787.883	126.006.137
Other fixed asset investments		100.000	100.000
Deposits		179.524	179.524
Fixed asset investments		279.524	279.524
Total non-current assets		119.067.407	126.285.661
Trade receivables		14.765	8.028
Other receivables		113.670	59.109
Prepayments		115.469	0
Receivables		243.904	67.137
Cash at bank and in hand		928	2.223.950
Total current assets		244.832	2.291.087
Total assets		119.312.239	128.576.748

Balance sheet at 30 June 2023

	Note	2022/23 DKK	2021/22 DKK
Equity and liabilities			
Share capital		2.300.000	2.300.000
Retained earnings		48.264.041	54.616.571
Equity		50.564.041	56.916.571
Provision for deferred tax		8.061.283	9.743.612
Total provisions		8.061.283	9.743.612
Mortgage loans		56.567.034	57.660.013
Other payables		1.460.925	1.501.313
Total non-current liabilities	5	58.027.959	59.161.326
Mortgage loans	5	1.104.644	1.246.853
Other credit institutions	5	380.363	11.231
Trade payables		122.211	55.362
Other payables		1.051.738	1.441.793
Total current liabilities		2.658.956	2.755.239
Total liabilities		60.686.915	61.916.565
Total equity and liabilities		119.312.239	128.576.748

Equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 July 2022	2.300.000	54.616.571	56.916.571
Net profit/loss for the year	0	-6.352.530	-6.352.530
Equity at 30 June 2023	<u>2.300.000</u>	<u>48.264.041</u>	<u>50.564.041</u>

Notes to the Annual Report

	<u>2022/2023</u>	<u>2021/2022</u>
	DKK	DKK
1 Staff costs		
Wages and salaries	4.095.629	4.022.100
Other social security costs	<u>122.951</u>	<u>77.451</u>
	<u>4.218.580</u>	<u>4.099.551</u>
Average number of employees	<u>7</u>	<u>6</u>
According to section 98 B(3) of the Danish Financial Statements Act, remuneration to the executive board has not been disclosed.		
2 Other operating costs		
Repayment of previously received Covid-19 subsidies	<u>338.061</u>	<u>0</u>
	<u>338.061</u>	<u>0</u>
3 Financial costs		
Other financial costs	688.110	710.394
Exchange adjustments costs	<u>0</u>	<u>4.454</u>
	<u>688.110</u>	<u>714.848</u>

Notes to the Annual Report

4 Assets measured at fair value

	<u>Investment properties</u>
Cost at 1 July 2022	<u>54.061.215</u>
Cost at 30 June 2023	<u>54.061.215</u>
Revaluations at 1 July 2022	<u>64.726.668</u>
Revaluations at 30 June 2023	<u>64.726.668</u>
Carrying amount at 30 June 2023	<u><u>118.787.883</u></u>

Sensitivity in determination of fair value of investment properties

In the case of market value assessment per 30 June 2023, a rate of return of 3.20% has been used

Changes in estimated required rate of return for investment properties will affect the value of investment properties recognised in the balance sheet as well as value adjustments carried in the income statement.

Changes in average required rate of return	<u>-0,5%</u> DKK	<u>Base</u> DKK	<u>0,5 %</u> DKK
Rate of return	<u>2,9</u>	<u>3,4</u>	<u>3,9</u>
Fair value	<u>103.614.000</u>	<u>118.787.000</u>	<u>140.030.000</u>
Change in fair value	<u>-15.173.000</u>	<u>0</u>	<u>21.243.000</u>

Notes to the Annual Report

5 Long term debt

	<u>2022/23</u>	<u>2021/22</u>
	DKK	DKK
Mortgage loans		
After 5 years	53.199.848	53.691.904
Between 1 and 5 years	<u>3.367.186</u>	<u>3.968.109</u>
Non-current portion	56.567.034	57.660.013
Within 1 year	<u>1.104.644</u>	<u>1.246.853</u>
	<u>57.671.678</u>	<u>58.906.866</u>
 Other payables		
Between 1 and 5 years	<u>1.460.925</u>	<u>1.501.313</u>
Non-current portion	<u>1.460.925</u>	<u>1.501.313</u>
Other short-term other debt	<u>1.051.738</u>	<u>1.441.793</u>
Current portion	<u>1.051.738</u>	<u>1.441.793</u>
	<u>2.512.663</u>	<u>2.943.106</u>

Notes to the Annual Report

6 Contingent liabilities

The company has 3 active leasing contracts with a term and a residual obligation, respectively:

4-month residual obligation DKK 5,324

19-month residual obligation DKK 71,583

27-month residual obligation DKK 107,946

Total residual obligation amounts to DKK 184,852

The company has no contingent liabilities.

7 Mortgages and collateral

Security for debt to real estate credit institutions, T.DKK 56.671, there are per 30/6 2023 mortgage granted on land and buildings with T.DKK 64.047. The accounting value of land and buildings per 30/6 2023 out makes T.DKK. 126.110.

As security for outstanding balances with 2 owners' associations, indemnification letters have been given in 2 owner-occupied flats with, respectively, T.DKK 50 and T.DKK 25.

As security for bank debt, the company has given a sub-mortgage in title deeds with a value of T.DKK 4,400.