

Kinnerton Properties ApS

Hammerensgade 6, st. th.
1267 Copenhagen
Denmark

CVR no. 35 66 90 00

Annual report for the period 1 July 2020 – 30 June 2021

The annual report was presented and approved at the
Company's annual general meeting on

6 September 2021

Camilla Sofie Halsted
Chairman

Contents

Statement by the Executive Board	2
Independent auditor's report	3
Management's review	5
Company details	5
Operating review	6
Financial statements 1 July – 30 June	7
Income statement	7
Balance sheet	8
Statement of changes in equity	10
Notes	11

Kinnerton Properties ApS
Annual report 2020/21
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Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of Kinnerton Properties ApS for the financial year 1 July 2020 – 30 June 2021.

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

In my opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 30 June 2021 and of the results of the Company's operations for the financial year 1 July 2020 – 30 June 2021.

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

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

Copenhagen, 6 September 2021
Executive Board:

Jens Bisgaard-Frantzen



Independent auditor's report

To the shareholder of Kinnerton Properties ApS

Opinion

We have audited the financial statements of Kinnerton Properties ApS for the financial year 1 July 2020 – 30 June 2021 comprising 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 Company's assets, liabilities and financial position at 30 June 2021 and of the results of the Company's operations for the financial year 1 July 2020 – 30 June 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' 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 rules and requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility 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 that 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 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 the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the 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 company 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.

Independent auditor's report

- 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 the 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.

Copenhagen, 6 September 2021

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Niels Vendelbo
State Authorised
Public Accountant
mne34532

Kinnerton Properties ApS
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Management's review

Company details

Kinnerton Properties ApS
Hammerensgade 6, st. th.
1267 Copenhagen
Denmark

Telephone:	38412920
CVR no.:	35 66 90 00
Established:	6 February 2014
Registered office:	Copenhagen
Financial year:	1 July – 30 June

Executive Board

Jens Bisgaard-Frantzen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 København Ø
CVR no. 25 57 81 98

Management's review

Operating review

Principal activities

The company's main activity is to invest in real estate property as well as other related activities.

Development in activities and financial position

The Company's income statement for 2020/21 shows a profit of DKK 91,333 as against DKK 201,492 in 2019/20. Equity in the Company's balance sheet at 30 June 2021 stood at DKK 5,384,883 as against DKK 5,293,550 at 30 June 2020.

Events after the balance sheet date

No events have occurred after the balance sheet date, that may materially affect the company's financial position.

Financial statements 1 July – 30 June

Income statement

DKK	Note	1/7 2020- 30/6 2021	1/7 2019- 30/6 2020
Profit before financial income and expenses		188,888	339,733
Other financial expenses	3	<u>-97,555</u>	<u>-138,241</u>
Profit before tax		91,333	201,492
Tax on profit for the year		<u>0</u>	<u>0</u>
Profit for the year		<u>91,333</u>	<u>201,492</u>
Proposed profit appropriation			
Proposed dividends for the year		500,000	0
Retained earnings		<u>-408,667</u>	<u>201,492</u>
		<u>91,333</u>	<u>201,492</u>

Financial statements 1 July – 30 June

Balance sheet

DKK	Note	<u>30/6 2021</u>	<u>30/6 2020</u>
ASSETS			
Fixed assets			
Property, plant and equipment			
Investment properties	4	<u>9,310,000</u>	<u>9,310,000</u>
Total fixed assets		<u>9,310,000</u>	<u>9,310,000</u>
Current assets			
Receivables			
Other receivables		<u>0</u>	<u>3,497</u>
Cash at bank and in hand		<u>965,108</u>	<u>1,098,954</u>
Total current assets		<u>965,108</u>	<u>1,102,451</u>
TOTAL ASSETS		<u><u>10,275,108</u></u>	<u><u>10,412,451</u></u>

Financial statements 1 July – 30 June

Balance sheet

DKK	Note	30/6 2021	30/6 2020
EQUITY AND LIABILITIES			
Equity			
Contributed capital		3,000,000	3,000,000
Retained earnings		1,884,883	2,293,550
Proposed dividends for the financial year		<u>500,000</u>	<u>0</u>
Total equity		<u>5,384,883</u>	<u>5,293,550</u>
Liabilities			
Non-current liabilities			
Debt to credit institutions	5	<u>4,460,500</u>	<u>4,634,500</u>
Current liabilities			
Banks, current liabilities	5	174,000	174,000
Trade payables		34,070	68,125
Deposits		<u>221,655</u>	<u>242,276</u>
		<u>429,725</u>	<u>484,401</u>
Total liabilities		<u>4,890,225</u>	<u>5,118,901</u>
TOTAL EQUITY AND LIABILITIES		<u><u>10,275,108</u></u>	<u><u>10,412,451</u></u>
Average number of employees	2		
Mortgages and collateral	6		

Financial statements 1 July – 30 June

Statement of changes in equity

DKK	Contributed capital	Retained earnings	Proposed dividends for the financial year	Total
Equity at 1 July 2020	3,000,000	2,293,550	0	5,293,550
Transferred over the profit appropriation	<u>0</u>	<u>-408,667</u>	<u>500,000</u>	<u>91,333</u>
Equity at 30 June 2021	<u><u>3,000,000</u></u>	<u><u>1,884,883</u></u>	<u><u>500,000</u></u>	<u><u>5,384,883</u></u>

Financial statements 1 July – 30 June

Notes

1 Accounting policies

The annual report of Kinnerton Properties ApS for 2020/21 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in of specific provisions for reporting class C.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Income statement

Gross profit

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Revenue

Revenue from rent income is recognised in the income statement in the period to which the rent income relates.

Other external costs

Other external costs comprise administration costs and costs in relation to buildings.

Value adjustment of investment properties

Value adjustment comprises the year's changes in the fair value of investment property.

Financial income and expenses

Financial income and expenses comprise interest income and expense and realized losses on mortgage debt.

Tax on profit for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Financial statements 1 July – 30 June

Notes

1 Accounting policies (continued)

Balance sheet

Investment properties

Investment property comprises property that is held to earn rentals, held for capital appreciation or both.

Initially, investment property is measured at cost including purchase price and directly related costs. The carrying amount also includes costs for improvements if recognition criteria are met.

Subsequent to initial recognition, investment property is stated at fair value. Gains or losses arising from changes in the fair values are included in the income statement in the year in which they arise.

The properties are valued using the income capitalisation method where a property's fair value is estimated based on the normalised net operation income generated by the property, which is divided by the capitalisation rate or from an assessed fair value by an independent valuer.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Liabilities

Liabilities are measured at net realisable value.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Dividend

Proposed dividends are recognised as a liability at the date on which they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Financial statements 1 July – 30 June

Notes

DKK	<u>1/7 2020- 30/6 2021</u>	<u>1/7 2019- 30/6 2020</u>
2 Average number of employees		
Average number of full-time employees	<u>0</u>	<u>0</u>
3 Other financial expenses		
Interest expense to group entities	0	47,123
Other financial costs	<u>97,555</u>	<u>91,118</u>
	<u>97,555</u>	<u>138,241</u>
4 Property, plant and equipment		
DKK		<u>Investment properties</u>
Cost at 1 July 2020		<u>6,596,492</u>
Cost at 30 June 2021		<u>6,596,492</u>
Revaluations at 1 July 2020		<u>2,713,508</u>
Revaluations at 30 June 2021		<u>2,713,508</u>
Depreciation and impairment losses at 30 June 2021		<u>0</u>
Carrying amount at 30 June 2021		<u>9,310,000</u>

Key assumptions:

The properties located in Ringkøbing are used for residential, totalling 960 sqm. In valuation of the property there has been applied an exit yield of 5%.

Sensitivity analysis:

An increase of the exit yield by 0.25 percentage points would reduce the property value by DKK 443 thousand and a decrease in the exit yield by 0.25 percentage points would increase the property value by DKK 490 thousand at the balance sheet date.

5 Non-current liabilities

DKK	<u>Total debt at 30/06 2021</u>	<u>Repayment, first year</u>	<u>Outstanding debt after five years</u>
Bank loans	<u>4,634,500</u>	<u>174,000</u>	<u>3,764,500</u>
	<u>4,634,500</u>	<u>174,000</u>	<u>3,764,500</u>

6 Mortgages and collateral

As security for mortgage debt, DKK 4,635 thousand, the Company has provided collateral in land and buildings with a carrying amount of DKK 9,310 thousand at 30 June 2021.