

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

Annual report

2020

Company reg. no. 38 76 94 21

The annual report was submitted and approved by the general meeting on the 5 July 2021.

Justin Hamer
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS British 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 report

Today, the executive board has presented the annual report of ESHF 2 Aarhus Residential ApS for the financial year 2020.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the company's results of activities in the financial year 1 January - 31 December 2020.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

Copenhagen, 5 July 2021

Executive board

Monique Jaqqam

Armon Bar-Tur

Justin Hamer

Independent auditor's report

To the shareholders of ESHF 2 Aarhus Residential ApS

Opinion

We have audited the financial statements of ESHF 2 Aarhus Residential ApS for the financial year 1 January - 31 December 2020, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the results of the company's activities for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 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 including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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 international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment 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 the 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 preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 the internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

Independent auditor's report

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Copenhagen, 5 July 2021

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 Residential ApS Kristen Bernikows Gade 4, 1 1105 København K
	Company reg. no. 38 76 94 21
	Domicile:
	Financial year: 1 January - 31 December 4th financial year
Executive board	Monique Jaqqam Armon Bar-Tur Justin Hamer
Auditors	Martinsen Statsautoriseret Revisionspartnerselskab Øster Allé 42 2100 København Ø
Parent company	ESHF 2 Holding S.à.r.l.

Management commentary

The principal activities of the company

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

Development in activities and financial matters

The gross loss for the year totals DKK -47.000 against DKK -56.000 last year. Income or loss from ordinary activities after tax totals DKK -6.530.000 against DKK 12.039.000 last year. Management considers the net profit or loss for the year satisfactory.

Accounting policies

The annual report for ESHF 2 Aarhus Residential 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

Lease income comprises income from the lease of property and from overhead costs collected and is recognised in the income statement for the period relating to the lease payment. Income from the heating account is recognised in the statement of financial position as a balance with lessees.

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

Costs concerning investment properties comprise operating costs, repair and maintenance costs, taxes, charges, and other costs. Costs concerning the heating accounts are recognised in the statement of financial position as a balance with lessees.

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.

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 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.

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.

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

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

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.

Accounting policies

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Income tax receivable" or "Income tax payable".

According to the rules of joint taxation, ESHF 2 Aarhus Residential 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

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

Also, capitalised residual leasing liabilities associated with financial leasing contracts are recognised in the financial liabilities.

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>2020</u>	<u>2019</u>
Gross loss	-46.875	-56.250
Value adjustment of investment property	-8.138.192	15.491.597
Operating profit	-8.185.067	15.435.347
Other financial income	1.155	0
1 Other financial costs	-187.398	-936
Pre-tax net profit or loss	-8.371.310	15.434.411
2 Tax on net profit or loss for the year	1.841.209	-3.395.571
Net profit or loss for the year	-6.530.101	12.038.840
 Proposed appropriation of net profit:		
Transferred to retained earnings	0	12.038.840
Allocated from retained earnings	-6.530.101	0
Total allocations and transfers	-6.530.101	12.038.840

Statement of financial position at 31 December

All amounts in DKK.

Assets			
<u>Note</u>		<u>2020</u>	<u>2019</u>
Non-current assets			
3	Investment property	23.353.000	31.445.816
	Total property, plant, and equipment	<u>23.353.000</u>	<u>31.445.816</u>
	Total non-current assets	<u>23.353.000</u>	<u>31.445.816</u>
Current assets			
	Cash on hand and demand deposits	<u>550</u>	<u>5.474</u>
	Total current assets	<u>550</u>	<u>5.474</u>
	Total assets	<u>23.353.550</u>	<u>31.451.290</u>

Statement of financial position at 31 December

All amounts in DKK.

Equity and liabilities		<u>2020</u>	<u>2019</u>
<u>Note</u>			
Equity			
Contributed capital		50.000	50.000
Retained earnings		<u>5.459.145</u>	<u>11.989.246</u>
Total equity		<u>5.509.145</u>	<u>12.039.246</u>
Provisions			
4 Provisions for deferred tax		<u>1.590.000</u>	<u>3.406.633</u>
Total provisions		<u>1.590.000</u>	<u>3.406.633</u>
Liabilities other than provisions			
Payables to group enterprises		<u>16.254.405</u>	<u>0</u>
Total long term liabilities other than provisions		<u>16.254.405</u>	<u>0</u>
Trade payables		0	15.000
Payables to group enterprises		0	1.160.411
Other payables		<u>0</u>	<u>14.830.000</u>
Total short term liabilities other than provisions		<u>0</u>	<u>16.005.411</u>
Total liabilities other than provisions		<u>16.254.405</u>	<u>16.005.411</u>
Total equity and liabilities		<u>23.353.550</u>	<u>31.451.290</u>

5 Contingencies

Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2020	50.000	11.989.246	12.039.246
Profit or loss for the year brought forward	<u>0</u>	<u>-6.530.101</u>	<u>-6.530.101</u>
	<u>50.000</u>	<u>5.459.145</u>	<u>5.509.145</u>

Notes

All amounts in DKK.

	<u>2020</u>	<u>2019</u>
1. Other financial costs		
Financial costs, group enterprises	186.474	54.523
Other financial costs	<u>924</u>	<u>-53.587</u>
	<u>187.398</u>	<u>936</u>
2. Tax on net profit or loss for the year		
Adjustment for the year of deferred tax	-1.816.633	3.406.633
Used in joint taxation, previous year	<u>-24.576</u>	<u>-11.062</u>
	<u>-1.841.209</u>	<u>3.395.571</u>
3. Investment property		
Cost 1 January 2020	15.954.219	1.022.003
Additions during the year	<u>45.376</u>	<u>14.932.216</u>
Cost 31 December 2020	<u>15.999.595</u>	<u>15.954.219</u>
Fair value adjustment 1 January 2020	15.491.597	0
Adjust of the year to fair value	<u>-8.138.192</u>	<u>15.491.597</u>
Fair value adjustment 31 December 2020	<u>7.353.405</u>	<u>15.491.597</u>
Carrying amount, 31 December 2020	<u>23.353.000</u>	<u>31.445.816</u>

The investment property is for now only a piece of land, 2.600 sqm based in Jens Baggesens Vej, Aarhus and the plan is to build a student- and residential accomodation.

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.

The value is determined by external real estate assessor.

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

Notes

All amounts in DKK.

	<u>31/12 2020</u>	<u>31/12 2019</u>
4. Provisions for deferred tax		
Provisions for deferred tax 1 January 2020	3.406.633	0
Deferred tax of the results for the year	<u>-1.816.633</u>	<u>3.406.633</u>
	<u>1.590.000</u>	<u>3.406.633</u>

5. Contingencies

Contingent liabilities

There is no contingent liabilities at 31 December 2020

Joint taxation

With ESHF II Birketinget ApS, company reg. no 39076691 as administration company, the company is subject to the Danish scheme of joint taxation from december 30, 2020 and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for 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 total tax payable under the joint taxation scheme totals DKK 0.

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 tax, etc., may result in changes in the company's liabilities.

The Company was until december 30, 2020 part of the joint taxation scheme of Aktieselskabet CBH, CVR. nr. 27512356 and shall not be liable for any tax claims against the other jointly taxed companies from the time of withdrawal from the joint taxation scheme.