

Kaldyng Ejendomme ApS

Buen 11, 2., 6000 Kolding

CVR no. 39 57 94 13

Annual report 2023

Approved at the Company's annual general meeting on 21 June 2024

Chair of the meeting:

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Morten Bugge

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Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of Kaldyng Ejendomme ApS for the financial year 1 January - 31 December 2023.

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

In my opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

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.

Kolding, 21 June 2024
Executive Board:

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Morten Bugge

Independent auditor's report

To the shareholder of Kaldyng Ejendomme ApS

Opinion

We have audited the financial statements of Kaldyng Ejendomme ApS for the financial year 1 January - 31 December 2023, which comprise 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 financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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 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 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 the 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 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.

Independent auditor's report

- ▶ 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 note 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 Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 21 June 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Morten Østergaard Koch
State Authorised Public Accountant
mne35420

Management's review

Company details

Name	Kaldyng Ejendomme ApS
Address, Postal code, City	Buen 11, 2., 6000 Kolding
CVR no.	39 57 94 13
Established	17 May 2018
Registered office	Kolding
Financial year	1 January - 31 December
Executive Board	Morten Bugge
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Business review

The purpose of the company is to own and rent real estate and related business.

Financial review

The income statement for 2023 shows a loss of DKK 8,268 thousand against a profit of DKK 6,906 thousand last year, and the balance sheet at 31 December 2023 shows equity of DKK 13,932 thousand.

Management considers the Company's financial performance as expected given the market circumstances.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2023	2022
	Gross profit	2,555	2,157
2	Staff costs	-99	-103
	Fair value adjustment of investment property	-9,218	-9,645
	Profit/loss before net financials	-6,762	-7,591
	Income from Participating interests	0	14,298
	Financial income	4	0
3	Financial expenses	-1,391	-1,903
	Profit/loss before tax	-8,149	4,804
	Tax for the year	-119	2,102
	Profit/loss for the year	-8,268	6,906
	 Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	-8,268	6,906
		-8,268	6,906

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2023	2022
	ASSETS		
	Fixed assets		
4	Property, plant and equipment		
	Investment property	110,609	112,950
		<u>110,609</u>	<u>112,950</u>
	Total fixed assets	<u>110,609</u>	<u>112,950</u>
	Non-fixed assets		
	Receivables		
	Trade receivables	159	56
	Other receivables	48	292
	Prepayments	236	93
		<u>443</u>	<u>441</u>
	Cash	<u>940</u>	<u>523</u>
	Total non-fixed assets	<u>1,383</u>	<u>964</u>
	TOTAL ASSETS	<u><u>111,992</u></u>	<u><u>113,914</u></u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2023	2022
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	500	500
	Retained earnings	13,432	21,700
	Total equity	<u>13,932</u>	<u>22,200</u>
	Provisions		
	Deferred tax	0	47
	Total provisions	<u>0</u>	<u>47</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	372	630
	Payables to group enterprises	96,212	89,823
	Corporation tax payable	166	0
	Deposits	1,112	998
	Other payables	159	93
	Deferred income	39	123
		<u>98,060</u>	<u>91,667</u>
	Total liabilities other than provisions	<u>98,060</u>	<u>91,667</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>111,992</u></u>	<u><u>113,914</u></u>

- 1 Accounting policies
- 5 Contractual obligations and contingencies, etc.
- 6 Security and collateral

Financial statements 1 January - 31 December

Statement of changes in equity

DKK'000	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2023	500	21,700	22,200
Adjusted equity at 1 January 2023	500	21,700	22,200
Transfer through appropriation of loss	0	-8,268	-8,268
Equity at 31 December 2023	<u>500</u>	<u>13,432</u>	<u>13,932</u>

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Kaldyng Ejendomme ApS for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

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

Basis of recognition and measurement

Assets are recognised in the balance sheet when, as a result of a past event, future economic benefits are likely to accrue to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the balance sheet when, as a result of a past event, the company has a legal or factual obligation and it is likely that future economic benefits will depart from the company and the value of the liability can be reliably measured.

At initial recognition, assets and liabilities are measured at cost. Measurement after initial recognition is done as described for each accounting item below.

Recognition and measurement shall take into account predictable risks and losses that occur before the annual report is submitted and that confirm or refute conditions that existed at the balance sheet date.

The profit and loss account recognizes income as it is earned, while expenses are recognized with the amounts relating to the financial year.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year (percentage-of-completion method).

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Gross profit

The items revenue and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Expenses, property

Property expenses include expenses relating to renting out the Company's investment property, including expenses relating to running and maintaining such property.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Amortisation/depreciation and impairment

The item comprises amortisation/depreciation and impairment of intangible assets and property, plant and equipment.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Fixtures and fittings, other plant and equipment	5-10 years
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Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Investment property

On initial recognition, investment property is measured at cost. Investment property is subsequently measured at fair value, and the value adjustment for the year is recognised in the income statement under the item "Fair value adjustment of investment property". The fair value is based on the expected future cash flows for the investment property.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Cash

Cash and cash equivalents comprise cash and short-term securities which are negotiable without hindrance to cash and cash equivalents on which there are negligible risks of changes in value.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Fair value

The fair value measurement is based on the principal market. If no principal market exists, the measurement is based on the most advantageous market, i.e. the market that maximises the price of the asset or liability less transaction and/or transport costs.

All assets and liabilities which are measured at fair value, or whose fair value is disclosed, are classified based on the fair value hierarchy, see below:

Level 1: Value in an active market for similar assets/liabilities

Level 2: Value based on recognised valuation methods on the basis of observable market information

Level 3: Value based on recognised valuation methods and reasonable estimates (non-observable market information).

If a reliable fair value cannot be stated according to the above levels, the asset or liability is measured at cost.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	2023	2022
2 Staff costs		
Wages/salaries	99	103
	<u>99</u>	<u>103</u>
Average number of full-time employees	<u>1</u>	<u>1</u>
3 Financial expenses		
Interest expenses, group entities	1,389	1,844
Other financial expenses	2	59
	<u>1,391</u>	<u>1,903</u>
4 Property, plant and equipment		
DKK'000		<u>Investment property</u>
Cost at 1 January 2023		113,902
Additions		<u>6,877</u>
Cost at 31 December 2023		120,779
Revaluations at 1 January 2023		-952
Value adjustments for the year		<u>-9,218</u>
Revaluations at 31 December 2023		-10,170
Carrying amount at 31 December 2023		<u>110,609</u>

Investment property

The Company invests in rental property. Investment property is recognised at fair value with value adjustment over the income statement, see the provisions in section 38 of the Danish Financial Statements Act.

Investment property comprises ten rental properties located in Kolding, Denmark and one apartment located in London, United Kingdom.

Financial statements 1 January - 31 December

Notes to the financial statements

Fair value estimation

The fair value of the apartment in London is based on listings of similar size apartment in the same building on the balance sheet date. The apartment in London make up approximately 27% of the carrying amount of investment properties at 31 December 2023.

The fair value of the remaining investment properties is estimated for every single property on the basis of the budget for the coming year, adjusted for fluctuations of a one-off nature. This, adjusted budget reflects 'normalised' results of operations and is used in combination with a relevant yield requirement to estimate the fair value based on a yield-based model. The properties are similar in nature and the same significant assumption on the yield requirement has been applied in the fair value measurements.

The fair value measurement is classified as level 3 in the fair value hierarchy.

Significant fair value assumptions

The most significant fair value assumption is the average yield requirement (4.44% for 2023 against 4.21% for 2022).

Sensitivity analysis

The fair value of the investment properties at 31/12 2023 is DKK 110,609 thousand. The fair value is an estimate made by management on the basis of information available and actual expectations as to the future.

The sensitivity of the average yield requirement may be illustrated as follows: an increase in the yield percentage of 0.25 percentage points will imply a decrease in the fair value of DKK 4.282 thousand. A decrease of the yield percentage of 0.25 percentage points will imply an increase in the fair value of DKK 4.793 thousand.

5 Contractual obligations and contingencies, etc.

The Company is jointly taxed with its parent, Tulip Invest ApS, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes, withholding taxes on interest, royalties and dividends.

6 Security and collateral

As security for the Company's debt to creditors and other suppliers in connection with construction projects, the Company has provided security through third parties for at total amount of DKK 1,500 thousand.

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Morten Bugge

Direktion

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Morten Bugge

Dirigent

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Morten Østergaard Koch

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