

Ejendomsselskabet Linåvej 20 ApS

August Bournonvilles Passage 1., 1055 København V

CVR No. 41 09 92 75

Annual report

For the year ended 30 June 2022

Approved at the annual general meeting, on October 12 2022

Chairman:

A handwritten signature in black ink, consisting of several overlapping, stylized strokes, positioned below the text 'Chairman:'. The signature is written over a horizontal line.

Contents

Statement by Management on the annual report	3
Independent auditors' report on the financial statements	4
Management's review	7
Financial statements for the period 1 July 2021 - 30 June 2022	9
Income statement	9
Balance sheet	10
Statement of changes in equity	12
Notes	13

Statement by Management on the annual report

Today, the Board of Directors have discussed and approved the annual report of Ejendomsselskabet Linåvej 20 ApS for the financial year 1 July 2021 – 30 June 2022.

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 2022 and of the results of the Company's operations for the financial year 1 July 2021 – 30 June 2022.

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

We recommend the adoption of the annual report at the annual general meeting.

Copenhagen, October 12 2022

Board of Directors:



Kristian Foss



Hannibal Busack Søberg



Zheng Yao

Independent auditors' report

To the shareholders of Ejendomsselskabet Linåvej 20 ApS

Opinion

We have audited the financial statements of Ejendomsselskabet Linåvej 20 ApS for the financial year 1 July 2021 – 30 June 2022, which comprise an 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 company at 30 June 2022, and of the results of the company operations for the financial year 1 July 2021– 30 June 2022 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 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 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.
- 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 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.

Odense, October 12 2022
EY Godkendt Revisionspartnerselskab
CVR No. 30 70 02 28



Morten Schougaard Sørensen
State Authorised
Public Accountant
mne32129

Management´s review

Company details

Name Ejendomsselskabet Linåvej 20 ApS
Address, Postal code, City August Bournonvilles Passage 1, 1055 København V

CVR No. 41 09 92 75
Established 22 January 2020
Registered office Copenhagen
Financial year 1 July 2021 - 30 June 2022

Board of Directors Kristian Foss, Chairman
Hannibal Busack Søberg
Zheng Yao

Auditors EY Godkendt Revisionspartnerselskab
Cortex Park Vest 3, 5230 Odense M, Denmark

Management's review

The company's primary activities and company details

The company's purpose is to invest in real estate, administrate and manage real estate as well as other related activities.

Significant changes in business and economic conditions

None.

Uncertainties relating to recognition and measurement in the financial statements

Investments are valued at their fair values, according to the description in Accounting policies.

The valuation includes accounting estimates and such valuation is therefore subject to some uncertainty. Please refer to note 6.

Financial statements for the period 1 July 2021 - 30 June 2022

Income statement

Notes	DKK	01.07.2021 - 30.06.2022	22.01.2020 - 30.06.2021
	Gross profit/loss	<u>3.986.200</u>	<u>1.286.679</u>
6	Fair value adjustment of investment property	13.084.334	12.915.666
	Operating profit	17.070.534	14.202.345
3	Financial income	2.412.989	0
4	Financial expenses	<u>-1.271.421</u>	<u>-369.736</u>
	Profit/loss before tax	18.212.102	13.832.609
5	Tax for the year	-4.006.662	-3.049.333
	Profit/loss for the year	<u><u>14.205.440</u></u>	<u><u>10.783.276</u></u>
	Recommended appropriation of the profit/loss for the year		
	Retained earnings	-1.093.979	10.783.276
	Proposed dividend recognised under equity	<u>15.299.419</u>	<u>0</u>
		<u><u>14.205.440</u></u>	<u><u>10.783.276</u></u>

Financial statements for the period 1 July 2021 - 30 June 2022

Balance sheet

Notes DKK	<u>2022</u>	<u>2021</u>
Assets		
Fixed Assets		
Investment property	<u>78.000.000</u>	<u>64.915.666</u>
6 Property, plant and equipment	<u>78.000.000</u>	<u>64.915.666</u>
Total fixed assets	<u>78.000.000</u>	<u>64.915.666</u>
Current assets		
Other receivables	<u>15.856</u>	<u>51.899</u>
Receivables	<u>15.856</u>	<u>51.899</u>
Cash	<u>0</u>	<u>0</u>
Total current assets	<u>15.856</u>	<u>51.899</u>
Total assets	<u><u>78.015.856</u></u>	<u><u>64.967.565</u></u>

Financial statements for the period 1 July 2021 - 30 June 2022

Balance sheet

Notes DKK	<u>2022</u>	<u>2021</u>
Equity and liabilities		
Equity		
7 Share Capital	50.000	50.000
Retained earnings	9.689.297	10.783.276
Dividend proposed for the period	15.299.419	0
Total equity	<u>25.038.716</u>	<u>10.833.276</u>
Provisions		
8 Provisions for deferred tax	6.285.191	3.015.915
Total provisions	<u>6.285.191</u>	<u>3.015.915</u>
Liabilities		
Mortgage debt	0	33.182.296
Other credit institutions	0	7.532.000
Other payables	4.178.000	4.000.000
9 Long-term liabilities	<u>4.178.000</u>	<u>44.714.296</u>
9 Current portion of long-term liabilities	0	3.138.000
Payables to group entities	41.406.104	0
Other credit institutions	0	2.963.291
Trade payables	40.000	20.000
Tax payables	770.805	33.418
Other payables	297.040	249.369
Short-term liabilities	<u>42.513.949</u>	<u>6.404.078</u>
Total liabilities	<u>46.691.949</u>	<u>51.118.374</u>
Total equity and liabilities	<u>78.015.856</u>	<u>64.967.565</u>
2 Staff costs		
10 Security for loans		
11 Contractual obligations and contingencies, etc.		
12 Related parties		

Financial statements for the period 1 July 2021 - 30 June 2022

Statement of changes in equity

(DKK)	<u>Share capital</u>	<u>Retained earnings</u>	<u>Dividend proposed for the period</u>	<u>Total</u>
Equity at 01/07 2021	50.000	10.783.276	0	10.833.276
Transfer through appropriation of profit	<u>0</u>	<u>-1.093.979</u>	<u>15.299.419</u>	<u>14.205.440</u>
Equity at 30/06 2022	<u><u>50.000</u></u>	<u><u>9.689.297</u></u>	<u><u>15.299.419</u></u>	<u><u>25.038.716</u></u>

Financial statements for the period 1 July 2021 - 30 June 2022

Notes

1. Accounting policies

The annual report of Ejendomsselskabet Linåvej 20 ApS has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Reporting currency

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

Income Statement

Revenue

Revenue comprises rental income from the leases of properties. Revenue is recognized on an actual basis.

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue', 'Cost of sale', 'Other external expenses' and 'Other operating income' are consolidated into one item designated 'Gross margin'.

Other external expenses

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

Notes

1. Accounting policies - continued

Income Statement

Revenue

Revenue comprises rental income from the leases of properties. Revenue is recognized on an actual basis.

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue', 'Cost of sale', 'Other external expenses' and 'Other operating income' are consolidated into one item designated 'Gross margin'.

Other external expenses

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

Financial income and expenses

Financial income and expenses are recognized in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses, etc.

Tax

Tax for the year include 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 recognized in the income statement, whereas the portion that relates to transactions taken to equity is recognized in equity.

The entity and its Danish group entities are taxed on a joint basis. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).

Jointly taxed companies entitled to a tax refund are, as a minimum, reimbursed by the management company according to the current rates applicable to interest allowance, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to the current rates applicable to interest surcharges to the management company.

Financial statements for the period 1 July 2021 - 30 June 2022

Notes

1. Accounting policies - continued

Balance sheet

Investment property

Investment properties are measured at cost at first recognition. After the first recognition investment properties are measured at fair value. Fair value is measured based on yield for comparable properties. Annual changes in fair value is recognized in the income statement.

Receivables

Receivables are measured at amortized cost, which usually corresponds to the nominal value. Provisions are made for bad debts on the basis of objective evidence that a receivable or a group of receivables are impaired. Provisions are made to the lower of the net realizable value and the carrying amount.

Cash and cash equivalents

Cash comprises cash balances and bank balances.

Corporation tax

Current tax payable and receivable is recognized in the balance sheet as the estimated tax charge in respect of the taxable income for the year, adjusted for tax on prior year's taxable income and tax paid on account.

Provisions for deferred tax are calculated, based on the liability method, of all temporary differences between carrying amounts and tax values.

Deferred tax is measured according to the taxation rules and taxations rates applicable at the balance sheet date when the deferred tax is expected to crystallize as current tax. Deferred tax assets are recognized at the value at which they are expected to be utilized, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities within the same jurisdiction.

Liabilities

Financial liabilities related to investment properties are measured at amortized cost.

Other liabilities are measured at net realizable value.

Fair value

Fair value is determined 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 that are measured at fair value or whose fair value is disclosed are classified based on the fair value hierarchy, see below:

Level 1: Value based on the fair value of similar assets/liabilities in an active market.

Level 2: Value based on generally accepted valuation methods on the basis of observable market information.

Level 3: Value based on generally accepted valuation methods and reasonable estimates based on non-observable market information.

Financial statements for the period 1 July 2021 - 30 June 2022

Notes

2. Staff costs

The company has no employees.

DKK	2022	2021
3. Financial income		
financial income, other	2.412.989	0
	<u>2.412.989</u>	<u>0</u>

4. Financial expenses

Interest expenses, affiliated companies

Interest expenses, bank and others

86.002	183.833
1.185.419	185.903
<u>1.271.421</u>	<u>369.736</u>

5. Tax for the year

Estimated tax charge for the year

Deferred tax adjustments in the year

Adjustment regarding prior years

313.494	33.418
3.693.168	3.015.915
0	0
<u>4.006.662</u>	<u>3.049.333</u>

6. Property, plant and equipment

Investment
property

Cost at 1 July 2021

Additions / disposals

Cost at 30 June 2022

52.000.000
<u>0</u>
<u>52.000.000</u>

Value adjustment 1 July 2021

Value adjustment for the year

Value adjustment 30 June 2022

12.915.666
<u>13.084.334</u>
<u>26.000.000</u>

Carrying amount at 30 June 2022

<u>78.000.000</u>

Fair Value level

3

The valuation at fair value is based on the purchase price of the property in connection with the newly completed transaction. The valuation corresponds to a net initial yield of app. 5.71%. The property is an industrial property situated in the area of Silkeborg. The valuation corresponds to the realized sales value in a sale of the company in 2022. If valuation was based on an initial yield of 5,46% the value would be DKK 81,4 mio. DKK and if based on an initial yield of 5,96% the value would be DKK 74,9 mio. DKK. The earnings used for the valuation is the estimated rent and cost on a normalised basis.

Financial statements for the period 1 July 2021 - 30 June 2022

Notes

DKK	2022
7. Share capital	
Balance at 1 July 2021	50.000
Capital increase	0
Balance at 30 June 2022	<u>50.000</u>

8. Provisions

The provisions for deferred tax primarily relates to timing differences in respect of property.
Deferred tax DKK 6.709.084.

9. Long-term liabilities

Of the long-term liabilities, DKK 4.178.000 falls due for payment after more than 5 years after the balance sheet date.

Other payables comprise of deposits.

10. Security for loans

None.

11. Contractual obligations and contingencies, etc.

The company is jointly taxed with Pineapple Odense Residential Komplementarselskab ApS, CVR no 37 15 44 90, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends.

12. Related parties

The company is included in the consolidated financial statements of Ares Management, L.P., Los Angeles, California. The consolidated financial statements can be obtained upon request from the parent company.