
Home.Earth Nærheden ApS

Siljanganade 1, DK-2300 København S

Annual Report for 2023

CVR No. 42 88 25 93

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 3/6 2024

Camilla Dalum
Chairman of the
general meeting



Contents

| | <u>Page</u> |
|--|-------------|
| Management's Statement and Auditor's Report | |
| Management's Statement | 1 |
| Independent Auditor's Report | 2 |
| Company information | |
| Company information | 4 |
| Financial Statements | |
| Income Statement 1 January - 31 December | 5 |
| Balance sheet 31 December | 6 |
| Statement of changes in equity | 8 |
| Notes to the Financial Statements | 9 |

Management's statement

The Executive Board has today considered and adopted the Annual Report of Home.Earth Nærheden ApS for the financial year 1 January - 31 December 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 financial position at 31 December 2023 of the Company and of the results of the Company operations for 2023.

We recommend that the Annual Report be adopted at the Annual General Meeting.

København S, 3 June 2024

Executive Board

Rasmus Juul-Nyholm
Executive Officer

Kasper Guldager Jensen
Executive Officer

Jakob Elvekjær Hermann
Executive Officer

Independent Auditor's report

To the shareholders of Home.Earth Nærheden ApS

Opinion

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.

We have audited the Financial Statements of Home.Earth Nærheden ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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' 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. We believe that the audit 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 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 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 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 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 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.

Hellerup, 3 June 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jakob Thisted Binder

State Authorised Public Accountant

mne42816

Company information

The Company

Home.Earth Nærheden ApS
Siljanganede 1
2300 København S
CVR No: 42 88 25 93
Financial period: 1 January - 31 December
Incorporated: 3 December 2021
Financial year: 2nd financial year
Municipality of reg. office: Copenhagen

Executive Board

Rasmus Juul-Nyholm
Kasper Guldager Jensen
Jakob Elvekjær Hermann

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Income statement 1 January - 31 December

| | Note | 2023 | 2021/22 |
|---|------|--------------------|------------------|
| | | DKK 12 months | DKK 13 months |
| Gross profit/loss before value adjustments | | 0 | 0 |
| Value adjustments of assets held for investment | | -21,736,039 | 0 |
| Gross profit/loss after value adjustments | | -21,736,039 | 0 |
| Financial expenses | | 0 | -3,013 |
| Profit/loss before tax | | -21,736,039 | -3,013 |
| Tax on profit/loss for the year | | -4,782,591 | 0 |
| Net profit/loss for the year | | -26,518,630 | -3,013 |
| Distribution of profit | | | |
| | | 2023 | 2021/22 |
| | | DKK | DKK |
| Proposed distribution of profit | | | |
| Retained earnings | | -26,518,630 | -3,013 |
| | | -26,518,630 | -3,013 |

Balance sheet 31 December

Assets

| | Note | 2023 | 2021/22 |
|--|----------|--------------------|---------------|
| | | DKK | DKK |
| Investment properties under construction | | 105,003,227 | 0 |
| Property, plant and equipment | 2 | 105,003,227 | 0 |
| Fixed assets | | 105,003,227 | 0 |
| Other receivables | | 4,833,248 | 36,987 |
| Receivables | | 4,833,248 | 36,987 |
| Cash at bank and in hand | | 2,935,097 | 0 |
| Current assets | | 7,768,345 | 36,987 |
| Assets | | 112,771,572 | 36,987 |

Balance sheet 31 December

Liabilities and equity

| | Note | 2023 | 2021/22 |
|--|------|--------------------|---------------|
| | | DKK | DKK |
| Share capital | | 42,000 | 40,000 |
| Share premium account | | 57,198,000 | 0 |
| Retained earnings | | -26,521,643 | -3,013 |
| Equity | | 30,718,357 | 36,987 |
| | | | |
| Provision for deferred tax | | 4,782,591 | 0 |
| Provisions | | 4,782,591 | 0 |
| | | | |
| Payables to group enterprises | | 71,611,580 | 0 |
| Long-term debt | | 71,611,580 | 0 |
| | | | |
| Trade payables | | 5,659,044 | 0 |
| Short-term debt | | 5,659,044 | 0 |
| | | | |
| Debt | | 77,270,624 | 0 |
| | | | |
| Liabilities and equity | | 112,771,572 | 36,987 |
| | | | |
| Key activities | 1 | | |
| Contingent assets, liabilities and other financial obligations | 3 | | |
| Accounting Policies | 4 | | |

Statement of changes in equity

| | Share capital | Share premium account | Retained earnings | Total |
|------------------------------|---------------|-----------------------|--------------------|-------------------|
| | DKK | DKK | DKK | DKK |
| Equity at 1 January | 40,000 | 0 | -3,013 | 36,987 |
| Cash capital increase | 2,000 | 57,198,000 | 0 | 57,200,000 |
| Net profit/loss for the year | 0 | 0 | -26,518,630 | -26,518,630 |
| Equity at 31 December | 42,000 | 57,198,000 | -26,521,643 | 30,718,357 |

Notes to the Financial Statements

1. Key activities

The Company's purpose is to develop, acquire, restore and rent real estate, and any related activity.

2. Assets measured at fair value

| | Investment properties under construction |
|---------------------------------------|---|
| | DKK |
| Cost at 1 January | 0 |
| Additions for the year | 126,739,266 |
| Cost at 31 December | <u>126,739,266</u> |
| Value adjustments at 1 January | 0 |
| Revaluations for the year | -21,736,039 |
| Value adjustments at 31 December | <u>-21,736,039</u> |
| Carrying amount at 31 December | <u>105,003,227</u> |

Assumptions underlying the determination of fair value of investment properties

Investment properties are measured at fair value. The fair value is calculated by using generally accepted valuation methods.

The valuation of the Property has been made using the estimated rental value and the estimated OPEX-budget. The information is used for a Discounted Cash Flow ("DCF") model, using the estimated market yield for each segment as discount factor and as capitalisation factor in the terminal value. The valuation is based on the full ownership of the Property.

Notes to the Financial Statements

The fair value of Investment property has been calculated based on the following assumptions:

| | <u>2023</u> |
|--|-------------|
| | DKK |
| The fair value of investment properties amounts to | 105,003,227 |
| Value adjustment, income statement | -21,736,039 |
| | |
| Budget period | 10 years |
| Market yield | 4,75% |
| Estimated average rent per m2 | DKK 1,800 |
| Estimated OPEX per m2 | DKK 260 |
| Estimated churn, residential (first year) | 20% |
| Estimated churn, residential (hereafter) | 10% |
| Structural vacancy, residential | 0% |
| Structural vacancy, commercial | 10% |

3. Contingent assets, liabilities and other financial obligations

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Home.Earth Group Holding A/S, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the Financial Statements

4. Accounting policies

The Annual Report of Home.Earth Nærheden ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The Financial Statements for 2023 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset 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 out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Income statement

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Balance sheet

Property, plant and equipment

Investment properties constitute land and buildings held to earn a return on the invested capital by way of current operating income and/or capital appreciation on sale.

On acquisition investment properties are measured at cost comprising the acquisition price and costs of acquisition. The cost of own constructed assets comprises the acquisition price and expenses directly related to the acquisition, including costs of acquisition and indirect expenses for labour, materials, components and suppliers up until the time when the asset is ready for use.

Interest expenses on loans contracted directly for financing the construction of properties are recognised in cost over the construction period.

After the initial recognition investment properties are measured at fair value. Value adjustments of investment properties are recognised in the income statement.

In Management's opinion the classification of the properties as investment properties did not cause any difficulties.

Fair value is the amount for which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction on the balance sheet date. The determination of fair value involves material accounting estimates.

The fair value of investment properties has been assessed by the independent assessor firm Nordanö at 31 December 2023

Notes to the Financial Statements

The estimates applied are based on information and assumptions considered reasonable by Management but which are inherently uncertain and unpredictable. Actual events or circumstances will probably differ from the assumptions made in the calculations as often assumed events do not occur as expected. Such difference may be material. The assumptions applied are disclosed in the notes.

Discounted Cash Flow model

The fair value of investment properties has been determined at 31 December 2023 for each property by using a Discounted Cash Flow model under which expected future cash flows are discounted to present value. The calculations are based on property budgets for the coming years. Allowance has been made for developments in rentals, vacancies, operating expenses, maintenance and administration, etc. The individual, budgeted cash flows are discounted at an individually fixed discount rate added a terminal value. The value thus calculated is adjusted for any non-operating assets such as cash and cash equivalents, deposits, etc if they are not shown separately in the balance sheet.

The value thus calculated is adjusted for any non-operating assets such as cash and cash equivalents, deposits, etc if they are not shown separately in the balance sheet.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Financial liabilities

Debts are measured at amortised cost, substantially corresponding to nominal value.