# Hedeland Logistics 4 ApS

Mårkærvej 15
DK-2630 Taastrup

CVR no. 42 89 15 68

## Annual report for the period 1 January - 31 August 2023

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

5 March 2024

Marko Mikic

Chairman of the annual general meeting

# Contents

# Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report for Hedeland Logistics 4 ApS for the financial year 1 January - 31 August 2023.

The annual report has been 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 31 August 2023 and of the results of the Company's operations for the financial year 1 January - 31 August 2023.

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

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

Høje Taastrup, 5 March 2024
Executive Board:

| | |
|---|---|
| Marko Mikic | Jenna Paulina Grader |

Board of Directors:

| | |
|---|---|
| Jenna Paulina Grader<br>Chairman | Marko Mikic |

# Independent auditor's report

## To the shareholder of Hedeland Logistics 4 ApS

## Opinion

We have audited the financial statements of Hedeland Logistics 4 ApS for the financial year 1 January - 31 August 2023, 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 31 August 2023 and of the results of the Company's operations for the financial year 1 January - 31 August 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 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 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 financial statement 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

# Independent auditor's report

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

# Independent auditor's report

## Report on other legal and regulatory requirements

### *Non-compliace with the provisions of the Danish Companies Act on Management's duties*

The Company has failed to comply with its duties in accordance with the Danish Companies Act to prepare a register of shareholders and to establish and maintain records and minutes. The Company's Management may incur liability in this respect.

Copenhagen, 5 March 2024
**KPMG**
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Sara Carstensen
State Authorised Public Accountant
mne34191

# Management's review

## Company details

Hedeland Logistics 4 ApS
Mårkærvej 15
DK-2630 Taastrup

| | |
|---|---|
| CVR no.: | 42 89 15 68 |
| Established: | 6 December 2021 |
| Registered office: | Høje Taastrup |
| Financial year: | 1 January - 31 August |

### Board of Directors

Jenna Paulina Grader, Chairman
Marko Mikic

### Executive Board

Marko Mikic
Jenna Paulina Grader

### 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 purpose is, directly or indirectly through holdings in other companies, to own, build, develop, operate and sell real estate, and run other related business.

### Uncertainty regarding recognition and measurement

The Company's investment property is recognised in the balance by applying a DCF method. The yield requirement is associated with critical accounting estimates, which means that the fair value may differ from the properties' actual value. We refer to note 6 for additional information.

### Development in activities and financial position

The Company's income statement for 1/1-31/8 2023 shows a profit of DKK 1,489 thousand as against a profit of DKK 4,694 thousand in 2022. Equity in the Company's balance sheet at 31 August 2023 stood at DKK 91,279 thousand as against DKK 93,292 thousand at 31 December 2022.

The Company has changed the financial reporting period from 1 January - 31 December to 1 September - 31 August to be compliant with the fiscal year of Ingka Group. The transition period covers 1 January 2023 - 31 August 2023.

### Events after the balance sheet date

No events have occurred after the balance sheet date that required adjustment to or disclosure in the annual report for 1 January - 31 August 2023.

# Financial statements 1 January – 31 August

## Income statement

| DKK'000 | Note | 1/1-31/8 2023 (8 Mos) | 2022 |
|---|---|---|---|
| **Gross profit** | | 2,175 | 2,388 |
| Gains/losses from fair value adjustments of investment property | | -2,000 | 3,736 |
| Other financial income | 3 | 44 | 10 |
| Other financial expenses | 4 | 0 | -116 |
| **Profit before tax** | | 219 | 6,018 |
| Tax on profit for the year | 5 | 1,270 | -1,324 |
| **Profit for the year** | | 1,489 | 4,694 |

### Proposed profit appropriation

| | | | |
|---|---|---|---|
| Extraordinary dividends distributed in the year | | 3,502 | 0 |
| Retained earnings | | -2,013 | 4,694 |
| | | 1,489 | 4,694 |

# Financial statements 1 January – 31 August

## Balance sheet

| DKK'000 | Note | 31/8 2023 | 31/12 2022 |
|---|---|---|---|
| **ASSETS** | | | |
| **Fixed assets** | | | |
| **Property, plant and equipment** | 6 | | |
| Investment property | | 91,019 | 93,000 |
| **Total fixed assets** | | 91,019 | 93,000 |
| **Current assets** | | | |
| **Receivables** | | | |
| Receivables from group entities | | 0 | 1,620 |
| Deferred tax assets | | 1,318 | 0 |
| | | 1,318 | 1,620 |
| **Cash at bank and in hand** | | 1,459 | 830 |
| **Total current assets** | | 2,777 | 2,450 |
| **TOTAL ASSETS** | | 93,796 | 95,450 |

# Financial statements 1 January – 31 August

## Balance sheet

| DKK'000 | Note | 31/8 2023 | 31/12 2022 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Contributed capital | | 50 | 50 |
| Retained earnings | | 91,229 | 93,242 |
| **Total equity** | | 91,279 | 93,292 |
| **Provisions** | | | |
| Provisions for deferred tax | | 1,324 | 1,324 |
| **Total provisions** | | 1,324 | 1,324 |
| **Liabilities other than provisions** | | | |
| **Current liabilities other than provisions** | | | |
| Trade payables | | 5 | 198 |
| Corporation tax | | 48 | 0 |
| Other payables, including taxes payable | | 628 | 226 |
| Deferred income | | 512 | 410 |
| | | 1,193 | 834 |
| **Total liabilities other than provisions** | | 1,193 | 834 |
| **TOTAL EQUITY AND LIABILITIES** | | 93,796 | 95,450 |

# Financial statements 1 January – 31 August

## Statement of changes in equity

| DKK'000 | Contributed capital | Retained earnings | Proposed dividends for the financial year | Total |
|---|---|---|---|---|
| Equity at 1 January 2023 | 50 | 93,242 | 0 | 93,292 |
| Transferred over the profit appropriation | 0 | -2,013 | 3,502 | 1,489 |
| Extraordinary dividend paid | 0 | 0 | -3,502 | -3,502 |
| **Equity at 31 August 2023** | 50 | 91,229 | 0 | 91,279 |

# Financial statements 1 January – 31 August

## Notes

### 1 Accounting policies

The annual report of Hedeland Logistics 4 ApS for 1 January - 31 August 2023 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

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

### Change of financial year

The Company has changed the financial period from 1 January 2022 - 31. December 2022 to 1 January - 31 August 2023 to be compliant with the fiscal year of Ingka Group. The transition period covers 1 January 2023 - 31 August 2023. No adjustment has been made to the comparative figures.

### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates 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, payables and other monetary items denominated in foreign currencies are translated at the exchange rates 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 latest financial statements is recognised in the income statement as financial income or financial expenses.

## Income statement

### Revenue

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

### Other external costs

Other external costs comprise expenses incurred for administration.

### Gains/losses from fair value adjustments of investment property

Fairvalue adjustment of investment properties compiles annual adjustment of the companies investment properties at fair value.

# Financial statements 1 January – 31 August

## Notes

### 1 Accounting policies

#### Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

#### Tax on profit for the year

Tax for the year comprises current 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 at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

The Company is subject to Danish rules on compulsory joint taxation on Danish group enterprises.

The current Danish income tax i allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

## Balance sheet

#### Investment property

Investment property is initially measured at cost. Cost comprises purchase price and any directly attributable expenditure until the date when the property is ready for use. Investment property is subsequently measured at fair value, equivalent to the amount for which the individual property is deemed to be sellable to an independent purchaser at the balance sheet date.

Fair value is stated using the return-based model as the calculated value in use of projected cash flows from the individual properties. The calculation is based on budgeted net earnings for the coming year adjusted to normal earnings and applying a required rate of return reflecting the market’s current, required rate of return for similar properties. The value is adjusted for issues not reflecting normal earnings, e.g. actual vacancies, major refurbishment projects, etc.

Adjustment for the year of the property’s fair value is recognised in the income statement.

#### 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.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences relating to office buildings non-deductible for tax purposes and other items where temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; 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. Any deferred net assets are measured at net realisable value.

# Financial statements 1 January – 31 August

## Notes

### 1 Accounting policies

Deferred tax is measured in accordance with 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. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

### Receivables

Receivables are measured at amortised cost.

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

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast 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.

### Cash at bank and in hand

Cash at bank and in hand comprise cash and bank deposits.

### Equity

*Dividends*

The expected dividend payment for the year is disclosed as a separate item under equity.

### Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at amortised cost.

### Deferred income

Deferred income comprises payments received regarding income in subsequent years.

### 2 Staff costs

| | 1/1-31/8 2023 (8 Mos) | 2022 |
|---|---|---|
| Average number of full-time employees | 0 | 0 |

# Financial statements 1 January – 31 August

## Notes

### 3 Other financial income

| DKK'000 | 1/1-31/8 2023 (8 Mos) | 2022 |
|---|---|---|
| Interest income from group entities | 37 | 10 |
| Exchange gains | 7 | 0 |
| | 44 | 10 |

### 4 Other financial expenses

| DKK'000 | 1/1-31/8 2023 (8 Mos) | 2022 |
|---|---|---|
| Interest paid to group entities | 0 | 26 |
| Other adjustments of financial expenses | 0 | 90 |
| | 0 | 116 |

### 5 Tax on profit for the year

| DKK'000 | 1/1-31/8 2023 (8 Mos) | 2022 |
|---|---|---|
| Current tax for the year | 48 | 0 |
| Deferred tax adjustment for the year | -1,318 | 1,324 |
| | -1,270 | 1,324 |

# Financial statements 1 January – 31 August

## Notes

### 6 Property, plant and equipment

| DKK'000 | Investment property |
|---|---|
| Cost at 1 January 2023 | 89,264 |
| Additions | 19 |
| Cost at 31 August 2023 | 89,283 |
| Revaluations at 1 January 2023 | 3,736 |
| Revaluations | -2,000 |
| Revaluations at 31 August 2023 | 1,736 |
| **Carrying amount at 31 August 2023** | 91,019 |

The management's estimate of the value of the investment properties is determined by marketconforming standards and is based on an assessment of the current returns, maintenance conditions, and of the required investment property returns. The fair value of investment properties in the annual report is estimated by the Company's management. The fair value is calculated as capitalised earnings value of properties determined from the expected future rent, the current tenants' abilities to fulfil their contractual obligations, periods of vacancy, operating costs, maintenance needs, expected CAPEX investments and estimates of the return requirements. Based on this, a DCF method, that the management considers most suitable for the valuation, has been applied. The return requirement estimates are based on information about the general regional development in return requirements and other relevant local conditions.

Key assumptions:
The parking area totalling 243 units is located in Hedehusene. The fair value of investment properties is estimated based on the future cash-flows generated by the property discounted by the capitalization rate. An individually determined discounted interest rate of 5,85% consisting of a required rate of return of 4,85% and an inflation rate of 1% has been applied when valuating the property. According to the external report the valuation amounts to DKK 91 million. Changes in estimated required rate of return for investment properties will affect the value of investment properties recognized in the balance sheet as well as value adjustments carried in the income statement.

Sensitivity analysis:
An increase of discounted interest rate by 0.25 percentage points would reduce the property value by DKK 5 million, and a decrease in discounted interest rate by 0.25 percentage points would increase the property value by DKK 6 million at the balance sheet date.

### 7 Contractual obligations, contingencies, etc.

#### Contingent liabilities

The Group's Danish entities are jointly and severally liable for tax on the Group's jointly taxed income and for certain withholding taxes such as dividend tax and royalty tax as well as for the joint registration for VAT. Any subsequent corrections of the taxable income subject to joint taxation or with-holding taxes on dividends, etc., may entail an increase in the entities' liability. The Group as a whole is not liable to any other parties.