

Aarhus Residentials Denmark AB

Investor Letter no. 1-2022

11.02.2022

Aarhus Residentials Denmark AB owns the two newly constructed residential properties Honningvænget 91-127 and Pollenvænget 70-106, 8381 Tilst, located close to the city of Aarhus, Denmark.

The properties comprise in total of 10,948 sq.m. of gross leasable area spread across 110 residential apartments with an average size of approx. 100 sq.m., including surround areas such as green areas, parking spaces and bicycle parking spaces.

The property manager DEAS is handling the daily operations and leasing, while Pareto Business Management is responsible for investor relations and investment management.



STATUS UPDATE

Leasing and property management

Per end of December 2021, 95 leases were occupied, while 17 was vacant, which amounts to a vacancy rate of 16% based on rent. The vacancy rate will expectedly continue to fluctuate until the property and surrounding area have stabilized, but the company is working closely together with DEAS to reduce it. There is a focus on ensuring tenant satisfaction and several marketing initiatives will be running in the following months to support the leasing. The company is also looking into various ways to add value to the property for both current and future tenants. Construction of the supermarket on a neighboring plot is also set to start within the next couple of months, and the supermarket will be a good asset to the area when finished.

The seller Birch is responsible for the property's facility management taking until March 2022, after which DEAS will also be handle the facility management.

Budget 2022

The budget for 2022 has been approved by the board. The net operating income for 2022 is estimated to be DKK 9.553.967 based on an average vacancy rate of 10% for 2022.

Distribution of dividend

DKK 6,175,000 is planned to be distributed in total dividend in 2022. DKK 3,000,000 will be distributed in May 2022 and DKK 3,175,000 in November 2022. Further information about the distribution of dividend will be provided in connection with the company's annual general meeting and annual report expected to be held in May 2022.

Next investor letter is planned to be sent out in the spring, following up on the leasing status and the management of the properties.

If there are any questions regarding the project, please feel free to contact us.

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Kind regards
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Kind regards
Pareto Securities

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