

K/S Sønder Centret, Skive
Merkurvej 1K 7, 7400 Herning

Annual report
2022

Company reg. no. 28 11 91 35

The annual report was submitted and approved by the general meeting on the 10 July 2023.

Anne-Kathrine Heiberg
Chairman of the meeting

Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

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Management's statement

Today, the Managing Director has approved the annual report of K/S Sønder Centret, Skive for the financial year 2022.

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

I consider the chosen accounting policy to be appropriate, and in my opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

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

We recommend that the annual report be approved at the Annual General Meeting.

Herning, 10 July 2023

Managing Director

Anne-Kathrine Heiberg

Independent auditor's report on extended review

To the Shareholders of K/S Sønder Centret, Skive

Opinion

We have performed an extended review of the financial statements of K/S Sønder Centret, Skive for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

Based on the work performed, in our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR - Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review 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 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 extended review of the Financial Statements

Our responsibility is to express an opinion on the financial statements. This requires that we plan and perform procedures in order to obtain limited assurance for our opinion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our opinion.

Independent auditor's report on extended review

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

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 opinion thereon.

In connection with our extended review 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 extended review, 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 in the Management's Review.

Copenhagen, 10 July 2023

Martinsen

State Authorised Public Accountants
Company reg. no. 32 28 52 01

Hans Peter Hartzberg

State Authorised Public Accountant
mne24818

Company information

| | |
|--------------------------|--|
| The company | K/S Sønder Centret, Skive |
| | Merkurvej 1K 7 |
| | 7400 Herning |
| | Company reg. no. 28 11 91 35 |
| | Financial year: 1 January - 31 December |
| Managing Director | Anne-Kathrine Heiberg |
| Auditors | Martinsen |
| | Statsautoriseret Revisionspartnerselskab |
| | Øster Allé 42 |
| | 2100 København Ø |
| Subsidiary | MytiCap Invest Skive ApS, Skive |

Management´s review

The principal activities of the company

The purpose of the company is to invest in real estate and any related business.

Uncertainties about recognition or measurement

A number of risk factors are linked to the company's activity, the most significant of which are determining the fair value of the property and raising capital.

Operational and market risks

It is difficult to forecast the actual property and market conditions over a number of years, therefore it must be expected that the actual operation will proceed differently in both positive and negative directions with the determination of the property fair value.

Interest rate risks

The company's debt and financial loans have variable interest rates.

The company is exposed to financial risks in relation to the general development in the level of interest rates.

Development in activities and financial matters

The gross profit for the year totals DKK 3.301.342 against DKK 4.584.230 last year. Income or loss from ordinary activities after tax totals DKK -1.736.226 against DKK -375.842 last year. The balance sheet at 31 december 2022 shows equity of DKK 12.229.572.

Events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Income statement 1 January - 31 December

All amounts in DKK.

| <u>Note</u> | <u>2022</u> | <u>2021</u> |
|---|-------------------|------------------|
| Gross profit | 3.301.342 | 4.584.230 |
| 1 Value adjustment of investment property | -1.854.519 | -3.000.000 |
| Staff costs | 0 | 0 |
| Profit before net financials | 1.446.823 | 1.584.230 |
| 3 Other financial expenses | -3.183.049 | -1.960.072 |
| Net profit or loss for the year | -1.736.226 | -375.842 |
| Proposed distribution of net profit: | | |
| Allocated from retained earnings | -1.736.226 | -375.842 |
| Total allocations and transfers | -1.736.226 | -375.842 |

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Balance sheet at 31 December

All amounts in DKK.

| Assets | | | |
|---------------------------|--------------------------------------|--------------------------|--------------------------|
| <u>Note</u> | | <u>2022</u> | <u>2021</u> |
| Non-current assets | | | |
| 4 | Investment property | <u>86.700.000</u> | <u>85.000.000</u> |
| | Total property, plant, and equipment | <u>86.700.000</u> | <u>85.000.000</u> |
| | Total non-current assets | <u>86.700.000</u> | <u>85.000.000</u> |
| Current assets | | | |
| | Trade receivables | 0 | 22.831 |
| | Other receivables | <u>626.211</u> | <u>32.000</u> |
| | Total receivables | <u>626.211</u> | <u>54.831</u> |
| | Cash and cash equivalents | <u>1.070.130</u> | <u>393.129</u> |
| | Total current assets | <u>1.696.341</u> | <u>447.960</u> |
| | Total assets | <u>88.396.341</u> | <u>85.447.960</u> |

Balance sheet at 31 December

All amounts in DKK.

| Equity and liabilities | | | |
|--|---|-------------------|-------------------|
| <u>Note</u> | | <u>2022</u> | <u>2021</u> |
| Equity | | | |
| | Contributed capital | 8.618.200 | 8.618.200 |
| | Retained earnings | 3.611.372 | 5.347.598 |
| | Total equity | 12.229.572 | 13.965.798 |
| Liabilities other than provisions | | | |
| 5 | Mortgage debt | 46.287.500 | 56.741.961 |
| | Deposits | 381.714 | 359.580 |
| 6 | Payables to group enterprises | 25.562.575 | 155.986 |
| | Total long term liabilities other than provisions | 72.231.789 | 57.257.527 |
| | Current portion of long term liabilities | 475.000 | 2.642.598 |
| | Bank loans | 500.000 | 9.182.734 |
| | Trade payables | 1.546.348 | 142.357 |
| | Other payables | 1.413.632 | 2.256.946 |
| | Total short term liabilities other than provisions | 3.934.980 | 14.224.635 |
| | Total liabilities other than provisions | 76.166.769 | 71.482.162 |
| | Total equity and liabilities | 88.396.341 | 85.447.960 |
| 7 | Charges and security | | |

Statement of changes in equity

All amounts in DKK.

| | Contributed capital | Retained earnings | Total |
|---|------------------------|----------------------|-------------------|
| Equity 1 January 2022 | 8.618.200 | 5.347.598 | 13.965.798 |
| Profit or loss for the year brought forward | 0 | -1.736.226 | -1.736.226 |
| | 8.618.200 | 3.611.372 | 12.229.572 |

Notes

All amounts in DKK.

| | <u>2022</u> | <u>2021</u> |
|---|-------------------|-------------------|
| 1. Value adjustment of investment property | | |
| Value adjustment due to change in required rate of return | -1.854.519 | -3.000.000 |
| | <u>-1.854.519</u> | <u>-3.000.000</u> |
| 2. Staff costs | | |
| Salaries, others | 677.191 | 652.992 |
| Wage subsidies and wages reimbursement | -762.999 | -734.443 |
| Pension, others | 61.378 | 52.239 |
| The Danish Labour Market Supplementary Pension Scheme | 12.665 | 12.439 |
| Other costs for social security | 11.765 | 16.773 |
| | <u>0</u> | <u>0</u> |
| 3. Other financial expenses | | |
| Other financial costs | 3.183.049 | 1.960.072 |
| | <u>3.183.049</u> | <u>1.960.072</u> |

Notes

All amounts in DKK.

| | <u>31/12 2022</u> | <u>31/12 2021</u> |
|---|------------------------------|------------------------------|
| 4. Investment property | | |
| Cost 1 January 2022 | 108.932.679 | 108.932.679 |
| Additions during the year | <u>3.554.519</u> | <u>0</u> |
| Cost 31 December 2022 | <u>112.487.198</u> | <u>108.932.679</u> |
| Fair value adjustment 1 January 2022 | -23.932.679 | -20.932.679 |
| Adjust of the year to fair value | <u>-1.854.519</u> | <u>-3.000.000</u> |
| Fair value adjustment 31 December 2022 | <u>-25.787.198</u> | <u>-23.932.679</u> |
| Carrying amount, 31 December 2022 | <u>86.700.000</u> | <u>85.000.000</u> |

The investment property Sønder Centret is located in Skive.

A determination of the return from the individual properties is based on the expected rental income from fully leased properties less expected operating costs, administration costs, and maintenance costs. The subsequent value is adjusted for recognised vacant-period lease for a reasonable period of time and expected costs of improvements and large maintenance projects, etc., plus added deposits and prepaid lease payments.

The total area of the properties is 11.390m², and the normalized result for it coming year is calculated at DKK 7,0 million.

A calculation of a return of 8.00% (2021: 8,72 %) has been used, which has been determined taking into account the current conditions in the real estate market at the balance sheet date, the type of property, the property's location, etc. Returns also correspond to the general required return for equivalent investment properties in Jylland.

Compared to the previous financial year, the methods of measurement remain unchanged.

Sensitivity analysis:

Changes in the rates of return have a material effect on the measurement of investment properties. An increase in the rate of return could mean a decrease in market value. The market development may result in changed requirements to the return on real property.

An increase of the required rate of return by 0,25 percentage point would mean a reduction of the value of the investment property of DKK 2.700.000. A deduction of the required rate of return by 0,25 percentage point would mean an increase of the value of the investment property of DKK 2.800.000.

Notes

All amounts in DKK.

| | <u>31/12 2022</u> | <u>31/12 2021</u> |
|--|--------------------------|--------------------------|
| 5. Mortgage debt | | |
| Total mortgage debt | 46.762.500 | 59.384.559 |
| Share of amount due within 1 year | <u>-475.000</u> | <u>-2.642.598</u> |
| | <u>46.287.500</u> | <u>56.741.961</u> |
| 6. Payables to group enterprises | | |
| Total payables to group enterprises | <u>25.562.575</u> | <u>155.986</u> |
| 7. Charges and security | | |
| As collateral for mortgage loans, TDKK 46.763, security has been granted on land and buildings representing a carrying amount of DKK 86.700 at 31 December 2022. | | |

Accounting policies

The annual report for K/S Sønder Centret, Skive has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Income statement

Gross profit

Gross profit comprises the revenue, other operating income and external costs.

Rental income includes income from the letting of properties as well as collected common costs and is recognized in the income statement in the period to which the rent relates. Income relating to the heating accounts is recognized in the balance sheet as balances with tenants.

Other external expenses include expenses related to advertising, administration, bad debts etc.

Accounting policies

Expenses concerning investment properties comprise operating expenses, repair and maintenance expenses, taxes, charges, and other expenses. Expenses concerning the heating accounts are recognised in the statement of financial position as a balance with lessees.

Value adjustment of investment property

Value adjustment of investment property comprises value adjustments of properties at fair value and profit or loss from the disposal of properties.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, realised and unrealised capital gains and losses relating to transactions in foreign currency.

Statement of financial position

Investment property

At the initial recognition, investment property is measured at cost, comprising the cost of the property and directly associated costs, if any.

Hereafter, investment properties are measured individually at an estimated fair value. The properties are measured using a returnbased model, by which the expected future cash flows for the following year, along with a rate of return determined by an external assessor, form the basis for the fair value of the properties. Compared to the previous financial year, the method of measurement remains unchanged.

Costs adding new or improved qualities to an investment property compared to its condition at the time of acquisition, thereby improving the future return on the property, are added to the cost as an improvement. Costs which do not add new or improved qualities to an investment property are recognised in the income statement under the item "Costs concerning investment property".

Like other property, plant, and equipment except for land, investment property has a limited economic life. The impairment taking place concurrently with the ageing of the investment property is reflected in the continuing measurement of the investment property at fair value.

Value adjustments are recognised in the income statement under the item "Value adjustments of property".

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

Accounting policies

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

Liabilities other than provisions

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Anne-Kathrine Heiberg

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Anne-Kathrine Heiberg
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Hans Peter Hartzberg

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Revisor
På vegne af Martinsen Statsautoriseret Revisionspartnersel...
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NEM ID

Anne-Kathrine Heiberg

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