

Dantop Ejendomme P/S


Fridtjof Nansens Plads 5, 2100 København Ø

CVR no. 28 85 13 67

Annual report 2021

Approved at the Company's annual general meeting on 20 May 2022

Chair of the meeting:


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Carl Edgar Serge Vøgg

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Statement by the Board of Directors and the Executive Board

Today, discussed and approved the annual report of Dantop Ejendomme P/S for the financial year 1 January - 31 December 2021.

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 of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021.

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.

Copenhagen, 20 May 2022
Executive Board:



Katia Ciesielska

Board of Directors:



Harry Duncan MacDonald
Chair



Carl Edgar Serge Vøgg



Katia Ciesielska

Independent auditor's report

To the shareholders of Dantop Ejendomme P/S

Opinion

We have audited the financial statements of Dantop Ejendomme P/S for the financial year 1 January - 31 December 2021, which comprise 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 the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 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 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' 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 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 the 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 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 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.

Odense, 20 May 2022
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Morten Schougaard Sørensen
State Authorised Public Accountant
mne32129

Management's review

Company details

Name	Dantop Ejendomme P/S
Address, Postal code, City	Fridtjof Nansens Plads 5, 2100 København Ø
CVR no.	28 85 13 67
Established	23 June 2005
Registered office	Copenhagen
Financial year	1 January - 31 December
Board of Directors	Harry Duncan MacDonald, Chair Carl Edgar Serge Vøgg Katia Ciesielska
Executive Board	Katia Ciesielska
General Partner	Bestway GP ApS Fridtjof Nansens Plads 5 2100 København Ø
Auditors	EY Godkendt Revisionspartnerselskab Cortex Park Vest 3, 5230 Odense M, Denmark

Management's review

Business review

The company's purpose is to own and hold shares in companies, buying, selling and renting real estate and any other related business.

Recognition and measurement uncertainties

The company holds investment properties measured at fair value. For a description of significant assumptions for the fair value recognition as 31 December 2021 please refer to note 4.

Financial review

The income statement for 2021 shows a profit of DKK 90,558,315 against a profit of DKK 29,593,017 last year, and the balance sheet at 31 December 2021 shows equity of DKK 187,464,169.

The profit is influenced by a fair value adjustment of the investment properties and sale of property. The net gain on sale of properties and fair value adjustment is app. DKK 89,802 thousand.

Management considers the company's financial performance in the year as expected.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 January - 31 December

Income statement

Note	DKK	<u>2021</u>	<u>2020</u>
	Gross profit	25,145,893	10,280,401
	Fair value adjustment of investment property	66,185,334	20,699,600
	Profit before net financials	<u>91,331,227</u>	<u>30,980,001</u>
	Other financial income from group enterprises	514,221	321,558
	Financial income	72,335	35,227
	Other financial expenses	-1,359,468	-1,743,769
	Profit for the year	<u>90,558,315</u>	<u>29,593,017</u>
	Recommended appropriation of profit		
	Proposed dividend recognised under equity	36,828,779	20,060,611
	Retained earnings	<u>53,729,536</u>	<u>9,532,406</u>
		<u>90,558,315</u>	<u>29,593,017</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	<u>2021</u>	<u>2020</u>
	ASSETS		
	Fixed assets		
3	Property, plant and equipment		
	Land and buildings	<u>215,419,786</u>	<u>172,280,000</u>
		<u>215,419,786</u>	<u>172,280,000</u>
5	Investments		
	Other receivables	<u>6,754,189</u>	<u>7,480,649</u>
		<u>6,754,189</u>	<u>7,480,649</u>
	Total fixed assets	<u>222,173,975</u>	<u>179,760,649</u>
	Non-fixed assets		
	Receivables		
	Receivables from group enterprises	27,275,169	12,326,016
	Other receivables	141,313	95,772
	Prepaid expenses	6,581	0
		<u>27,423,063</u>	<u>12,421,788</u>
	Cash	<u>7,852,526</u>	<u>6,289,284</u>
	Total non-fixed assets	<u>35,275,589</u>	<u>18,711,072</u>
	TOTAL ASSETS	<u>257,449,564</u>	<u>198,471,721</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	<u>2021</u>	<u>2020</u>
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	10,000,000	10,000,000
	Retained earnings	140,635,390	86,905,854
	Dividend proposed	36,828,779	20,060,611
	Total equity	<u>187,464,169</u>	<u>116,966,465</u>
	Provisions		
	Other provisions	2,412,648	2,647,505
7	Total provisions	<u>2,412,648</u>	<u>2,647,505</u>
	Liabilities other than provisions		
6	Non-current liabilities other than provisions		
	Mortgage debt	63,655,092	77,526,137
	Deposits	935,668	1,033,077
		<u>64,590,760</u>	<u>78,559,214</u>
	Current liabilities other than provisions		
6	Mortgage debt	128,311	98,951
	Trade payables	75,210	79,239
	Other payables	2,778,466	120,347
		<u>2,981,987</u>	<u>298,537</u>
	Total liabilities other than provisions	<u>67,572,747</u>	<u>78,857,751</u>
	TOTAL EQUITY AND LIABILITIES	<u>257,449,564</u>	<u>198,471,721</u>

- 1 Accounting policies
- 2 Staff costs
- 8 Collateral
- 9 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	<u>Share capital</u>	<u>Retained earnings</u>	<u>Dividend proposed</u>	<u>Total</u>
Equity at 1 January 2020	10,000,000	77,373,448	13,177,403	100,550,851
Transfer through appropriation of profit	0	9,532,406	20,060,611	29,593,017
Dividend distributed	0	0	-13,177,403	-13,177,403
Equity at 1 January 2021	10,000,000	86,905,854	20,060,611	116,966,465
Transfer through appropriation of profit	0	53,729,536	36,828,779	90,558,315
Dividend distributed	0	0	-20,060,611	-20,060,611
Equity at 31 December 2021	10,000,000	140,635,390	36,828,779	187,464,169

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Dantop Ejendomme P/S for 2021 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

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

Foreign currency translation

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

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are presented as separate items in the balance sheet.

Income statement

Revenue

Rent comprises rental income from the leases of properties. Rent is recognised on an accruals basis.

Rent is measured net of all types of discounts/rebates granted. Also, rent 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', 'Property expenses', 'Other external expenses' and 'Other operating income' are consolidated into one item designated 'Gross margin'.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets.

Expenses, property

Includes costs associated with the operation and administration of investment properties, repairment and maintenance, property taxes and other expenses which are not paid by tenants.

Other external expenses

Other operating expenses comprise items of a secondary nature to the main activities of the Company, including losses on the sale of intangible assets and property, plant and equipment.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year.

Balance sheet

Investment property

On initial recognition, investment property is measured at cost. Investment property is subsequently measured at fair value, and the value adjustment for the year is recognised in the income statement under the item "Fair value adjustment of investment property". The fair value is based on the expected future cash flows for the investment property.

Investments

Other receivables comprises of deposits at Grundejernes Investeringsfond.

Receivables

Receivables are measured at amortised 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 realisable value and the carrying amount.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise bank balances.

Equity

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Provisions

Other provisions comprise expected maintenance liabilities in accordance with section 22 of the Danish Rent Act. Provisions are recognised when, as a result of past events, the Company has legal or a constructive obligation and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Payables to credit institutions

Mortgage debt is recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, mortgage debt is measured at amortised cost, using the effective interest rate method. Borrowing costs, including capital losses, are recognised as financing costs in the income statement over the term of the loan.

Other payables

Other payables are measured at net realisable value.

Fair value

The fair value measurement is 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 which are measured at fair value, or whose fair value is disclosed, are classified based on the fair value hierarchy, see below:

Level 1: Value in an active market for similar assets/liabilities

Level 2: Value based on recognised valuation methods on the basis of observable market information

Level 3: Value based on recognised valuation methods and reasonable estimates (non-observable market information).

2 Staff costs

The Company has no employees.

Financial statements 1 January - 31 December

Notes to the financial statements

3 Property, plant and equipment

DKK	<u>Land and buildings</u>
Cost at 1 January 2021	109,779,655
Disposals	-15,069,857
Cost at 31 December 2021	<u>94,709,798</u>
Revaluations at 1 January 2021	62,500,345
Value adjustments for the year	66,185,334
Reversal of accumulated revaluation of disposals	-7,975,691
Revaluations at 31 December 2021	<u>120,709,988</u>
Carrying amount at 31 December 2021	<u>215,419,786</u>

4 Investment property

Fair value estimation

The Company's management believes that the selected accounting policies, where investment properties are measured at fair value, provides the best presentation of the Company's assets and liabilities, the financial position, and the results of its operations.

The best documentation for the fair value of the Company's investment properties is current prices in an active market for similar investment properties. In the lack of such information, the fair value is determined within a range of probable calculated estimates of the fair value, defined as the value between a qualified willing buyer and a qualified willing seller based on the conditions on the balance sheet date.

The company has an ongoing divestment of apartments when these become vacant. The valuation is based on a DCF-model where the most significant parameters are:

- ▶ The latest gained sales prices
- ▶ Estimated annual sales of apartments
- ▶ Estimated growth in sales prices
- ▶ Rate of inflation
- ▶ WACC

The valuation is based on a WACC of 5.15% (2020: 4.14%), annual sales of 7.82% (2020: 6.74%) of the portfolio, growth in sales prices 1.80% (2020: 0.39%), inflation rate of 1.80% (2020: 0.39%) and an average sales price per sqm of 40,578 (2020: 34,333). The portfolio is assumed to be sold over the next 20 years with a decreasing number of sqm per year compared to a longer period in prior years.

The valuation is sensitive to changes in the parameters and the valuation is based on a high degree of estimates.

The properties consist of condos primarily located in the central Copenhagen area. The valuation corresponds to an average price per sqm of DKK 30,829 (2020: 22,129).

If the WACC is increased 0.25% the value of the properties would be reduced by DKK 3,5 million and if WACC was reduced by 0.25% the value would be increased by DKK 3,6 million.

The fair value measurement is based on level 3 in the fair value hierarchy.

Financial statements 1 January - 31 December

Notes to the financial statements

5 Investments

DKK	<u>Other receivables</u>
Cost at 1 January 2021	7,480,649
Additions	440,780
Disposals	<u>-1,167,240</u>
Cost at 31 December 2021	<u>6,754,189</u>
Carrying amount at 31 December 2021	<u><u>6,754,189</u></u>

6 Non-current liabilities other than provisions

Of the long-term liabilities, DKK 58,828 thousand falls due for payment after more than 5 years after the balance sheet date.

7 Provisions

Maintenance liabilities BRL § 22, DKK 2,413 thousand.

Maintenance liabilities related to BRL § 22 are expected to fall due within 5 years.

8 Collateral

As security for the Company's mortgage debt, the Company has provided security in its assets. The total carrying amount of these assets is DKK 215,420 thousand.

9 Related parties

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
Cornway Ltd.	Cyprus	Giannou Kranidioti & Spyrou Kyprianou, 1st Floor, Nicosia 1065 Cyprus