



Southern Lands Ejendom ApS
c/o Harbour House
Sundkrogsgade 21, DK-2100 Copenhagen
CVR no. 29 18 80 76

Annual report for 2020

Adopted at the annual general meeting
on 7 May 2021

A handwritten signature in black ink, appearing to read "Victoria Christensen", is positioned above a horizontal line.

Victoria Christensen
chairman

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Statement by management on the annual report

The executive board has today discussed and approved the annual report of Southern Lands Ejendom ApS for the financial year 1 January - 31 December 2020.

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 company's financial position at 31 December 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

The financial statements have not been audited. Management considers the criteria for not auditing the financial statements to be met.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 7 May 2021

Executive board



Didrik Joakim Lehmkuhl



Jean-Marc Tornare

Company details

The company

Southern Lands Ejendom ApS
Sundkrogsgade 21
c/o Harbour House
DK-2100 Copenhagen

CVR no.: 29 18 80 76

Reporting period: 1 January - 31 December 2020

Domicile: Copenhagen

Executive board

Didrik Joakim Lehmkuhl
Jean-Marc Tornare

Management's review

Business review

The object of the company is investment, including owning shares and participations.

Unusual matters

The company's financial position at 31 December 2020 and the results of its operations for the financial year ended 31 December 2020 are not affected by any unusual matters.

Financial review

The company's income statement for the year ended 31. december 2020 shows a profit of DKK 12.296.124, and the balance sheet at 31 December 2020 shows negative equity of DKK 1.410.917.

Financing

At 31 December 2020, the company had a negative equity and has lost its share capital. The negative equity is financed by loans from group entities and other sources. The company expects to re-establish the loss through future profit from the company's investment in Crillón S.A.

The company's payable to group entities and other payables are derived from the financing of the company's investment in the subsidiary, Crillón S.A., which is a real estate development and construction company, that is still in the development and construction phase. Therefore, the parties have agreed that the loans are not to be repaid before the subsidiary finishes the construction phase and starts to generate earnings from future real estate sales.

No interest is applied on the loans in the construction phase and the loans are not to be paid before other payables.

On this basis, management has concluded that it is appropriate to present the financial statements on a going concern basis.

Significant 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

	<u>Note</u>	<u>2020</u> DKK	<u>2019</u> DKK
Gross profit		-337.353	-381.321
Financial income		12.633.779	1.858
Financial expenses		<u>-302</u>	<u>-3.178.829</u>
Profit/loss before tax		12.296.124	-3.558.292
Tax on profit/loss for the year		<u>0</u>	<u>0</u>
Profit/loss for the year		<u>12.296.124</u>	<u>-3.558.292</u>
 Distribution of profit			
Retained earnings		<u>12.296.124</u>	<u>-3.558.292</u>
		<u>12.296.124</u>	<u>-3.558.292</u>

Balance sheet 31 December

	<u>Note</u>	<u>2020</u> DKK	<u>2019</u> DKK
Assets			
Investments in subsidiaries		<u>123.202.187</u>	<u>123.202.187</u>
Fixed asset investments		<u>123.202.187</u>	<u>123.202.187</u>
Total non-current assets		<u>123.202.187</u>	<u>123.202.187</u>
Prepayments		<u>23.999</u>	<u>23.349</u>
Receivables		<u>23.999</u>	<u>23.349</u>
Cash at bank and in hand		<u>18.914</u>	<u>5.010</u>
Total current assets		<u>42.913</u>	<u>28.359</u>
Total assets		<u><u>123.245.100</u></u>	<u><u>123.230.546</u></u>

Balance sheet 31 December

	<u>Note</u>	<u>2020</u> DKK	<u>2019</u> DKK
Equity and liabilities			
Share capital		425.000	425.000
Retained earnings		<u>-1.835.917</u>	<u>-14.132.041</u>
Equity		<u>-1.410.917</u>	<u>-13.707.041</u>
Payables to group entities		108.182.678	119.224.898
Other payables		<u>14.764.382</u>	<u>16.364.492</u>
Total non-current liabilities		<u>122.947.060</u>	<u>135.589.390</u>
Trade payables		35.000	123.495
Payables to group entities		1.673.957	1.220.531
Corporation tax		<u>0</u>	<u>4.171</u>
Total current liabilities		<u>1.708.957</u>	<u>1.348.197</u>
Total liabilities		<u>124.656.017</u>	<u>136.937.587</u>
Total equity and liabilities		<u>123.245.100</u>	<u>123.230.546</u>
Staff expenses	1		
Uncertainty about the continued operation (going concern)	2		
Contingent assets	3		

Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2020	425.000	-14.132.041	-13.707.041
Net profit/loss for the year	0	12.296.124	12.296.124
Equity at 31 December 2020	425.000	-1.835.917	-1.410.917

Notes

	<u>2020</u>	<u>2019</u>
1 Staff expenses		
Average number of employees	<u>0</u>	<u>0</u>

2 Uncertainty about the continued operation (going concern)

At 31 December 2020, the company had a negative equity and has lost its share capital. The negative equity is financed by loans from group entities and other sources. The company expects to re-establish the loss through future profit from the company's investment in Crillón S.A.

The company's payable to group entities and other payables are derived from the financing of the company's investment in the subsidiary, Crillón S.A., which is a real estate development and construction company, that is still in the development and construction phase. Therefore, the parties have agreed that the loans are not to be repaid before the subsidiary finishes the construction phase and starts to generate earnings from future real estate sales.

No interest is applied on the loans in the construction phase and the loans are not to be paid before other payables.

On this basis, management has concluded that it is appropriate to present the financial statements on a going concern basis.

3 Contingent assets

The company has an unrecorded tax asset of DKK 3.272.539, which is not recognized on the balance sheet as it is not expected to be utilized within 3-5 years.

Accounting policies

The annual report of Southern Lands Ejendom ApS for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2020 is presented in DKK.

Pursuant to sections §110 subsection 1, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits 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 from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue less other external expenses.

Accounting policies

Other external expenses

Other external expenses include various corporate expenses.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, realised and unrealised capital/exchange gains and losses on foreign currency transactions and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Investments in subsidiaries

Investments in subsidiaries are measured at cost and are written down to the lower of the recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received, using the effective interest rate of individual receivables or portfolios of receivables as discount rate.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Accounting policies

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Liabilities

Liabilities, which include trade payables, payables to group enterprises and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

