
Euro Nordics Soborg P/S

c/o Fokus Asset Management A/S, Bomhusvej 13, 1.
th., DK-2100 København Ø

Annual Report for 1 January - 31 December 2021

CVR No 29 40 50 69

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
02/06 2022

Tonny Nielsen
Chairman of the General
Meeting



Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Company Information	
Company Information	5
Management's Review	6
Financial Statements	
Income Statement 1 January - 31 December	7
Balance Sheet 31 December	8
Statement of Changes in Equity	10
Notes to the Financial Statements	11

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Euro Nordics Soborg 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 at 31 December 2021 of the Company and of the results of the Company operations for 2021.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 2 June 2022

Executive Board

Tonny Nielsen
Executive Officer

Board of Directors

Seong Hwan Byun
Chairman

In Seok Heo

Tonny Nielsen

Independent Auditor's Report

To the partner of Euro Nordics Soborg P/S

Opinion

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.

We have audited the Financial Statements of Euro Nordics Soborg 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 a summary of significant accounting policies ("the Financial Statements").

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.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, 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 Management's Review.

Independent Auditor's Report

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 about 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 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:

- 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.
- 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

Independent Auditor's Report

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.

Hellerup, 2 June 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Maj-Britt Nørskov Nannestad

statsautoriseret revisor

mne32198

Jacob Dannefer

statsautoriseret revisor

mne47886

Company Information

The Company

Euro Nordics Soborg P/S
c/o Fokus Asset Management A/S
Bomhusvej 13, 1. th.
DK-2100 København Ø

CVR No: 29 40 50 69
Financial period: 1 January - 31 December
Incorporated: 28 February 2006
Financial year: 16th financial year
Municipality of reg. office: København

Board of Directors

Seong Hwan Byun, Chairman
In Seok Heo
Tonny Nielsen

Executive Board

Tonny Nielsen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Key activities

The Company's key activity is to invest in, own, develop and administrate investment properties as well as related activities.

Development in the year

The income statement of the Company for 2021 shows a profit of DKK 31,171,752, of which value adjustments amount to DKK -10,911,739, and at 31 December 2021 the balance sheet of the Company shows equity of DKK 494,270,928.

Uncertainty relating to recognition and measurement

Investment properties are recognised at fair value. Fair value is determined based on discount models. Reference is made to note 3 for a sensitivity analysis of uncertainties related to the determination of fair value.

Subsequent events

The Company has mortgage loans payable as of 31 December 2021 amounting to DKK 721,532k. In the subsequent period, the mortgage loans have been repaid in full and the Company has obtained a refinancing mortgage loan amounting to DKK 760,000k with a termination date of 31 January 2024.

No other events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	2021 DKK	2020 DKK
Gross profit/loss before value adjustments		55.432.659	60.429.632
Value adjustments of investment assets and the financial liabilities involved	2	-10.911.739	-11.547.000
Gross profit/loss after value adjustments		44.520.920	48.882.632
Financial expenses		-13.349.168	-13.525.992
Net profit/loss for the year		31.171.752	35.356.640

Distribution of profit

Proposed distribution of profit

Proposed dividend for the year	40.000.000	45.000.000
Retained earnings	-8.828.248	-9.643.360
	31.171.752	35.356.640

Balance Sheet 31 December

Assets

	Note	2021 DKK	2020 DKK
Investment properties		1.201.541.261	1.212.453.000
Property, plant and equipment	3	1.201.541.261	1.212.453.000
Fixed assets		1.201.541.261	1.212.453.000
Receivables from group enterprises		12.759.239	5.758.647
Other receivables		80.444	24.472
Receivables		12.839.683	5.783.119
Cash at bank and in hand		6.363.176	11.616.560
Currents assets		19.202.859	17.399.679
Assets		1.220.744.120	1.229.852.679

Balance Sheet 31 December

Liabilities and equity

	Note	2021 DKK	2020 DKK
Share capital		3.000.000	3.000.000
Retained earnings		451.270.928	460.099.176
Proposed dividend for the year		40.000.000	45.000.000
Equity		494.270.928	508.099.176
Mortgage loans		0	717.466.977
Long-term debt	4	0	717.466.977
Mortgage loans	4	721.532.219	0
Trade payables		173.880	122.367
Payables to group enterprises		126.841	129.507
Other payables		4.640.252	4.034.652
Short-term debt		726.473.192	4.286.526
Debt		726.473.192	721.753.503
Liabilities and equity		1.220.744.120	1.229.852.679
Subsequent events	1		
Contingent assets, liabilities and other financial obligations	5		
Accounting Policies	6		

Statement of Changes in Equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	3.000.000	460.099.176	45.000.000	508.099.176
Ordinary dividend paid	0	0	-45.000.000	-45.000.000
Net profit/loss for the year	0	-8.828.248	40.000.000	31.171.752
Equity at 31 December	3.000.000	451.270.928	40.000.000	494.270.928

Notes to the Financial Statements

1 Subsequent events

The Company has mortgage loans payable as of 31 December 2021 amounting to DKK 721,532k. In the subsequent period, the mortgage loans have been repaid in full and the Company has obtained a refinancing mortgage loan amounting to DKK 760,000k with a termination date of 31 January 2024.

No other events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

	2021 DKK	2020 DKK
2 Value adjustments of investment assets and the financial liabilities involved		
Value adjustments of investment properties	-10.911.739	-11.547.000
	-10.911.739	-11.547.000

3 Assets measured at fair value

	Investment pro- perties DKK
Cost at 1 January	943.088.308
Cost at 31 December	943.088.308
Value adjustments at 1 January	269.364.692
Revaluations for the year	-10.911.739
Value adjustments at 31 December	258.452.953
Carrying amount at 31 December	1.201.541.261

Notes to the Financial Statements

3 Assets measured at fair value (continued)

Assumptions underlying the determination of fair value of investment properties

The Company's investment property are 100% commercial, and is located around Copenhagen.

The investment property are measured at fair value. The fair value is calculated by using generally accepted valuation methods. The value is determined on the basis of a return-based model.

The fair value is determined on the basis of the following assumptions:

	2021 DKK
The fair value of the investment property amounts to	1.201.541.261
Net yield	5,25%
Increase in market rent	2%
Expected idle rent in % of rental income	0%
Maintenance costs in % of rental income	2%
Administrative expenses in % of rental income	0,25%

Sensitivity in determination of fair value of investment properties

An individually determined required rate of return of 5,25% has been applied in the market value assessment at 31 December 2021.

Changes in estimated required rate of return for the investment property will affect the value of investment property recognised in the balance sheet as well as value adjustments carried in the income statement.

Changes in average required rate of return	-0,5 % DKK	Base DKK	0,5 % DKK
Rate of return	4,8	5,3	5,8
Fair value	1.328.019.284	1.201.541.261	1.097.059.409
Change in fair value	126.478.023	0	-104.481.852

Notes to the Financial Statements

4 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2021 DKK	2020 DKK
Mortgage loans		
Between 1 and 5 years	0	717.466.977
Long-term part	0	717.466.977
Within 1 year	721.532.219	0
	721.532.219	717.466.977

5 Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with mortgage credit institutes:

Investment property with a carrying amount of	1.201.541.261	1.212.453.000
---	---------------	---------------

Notes to the Financial Statements

6 Accounting Policies

The Annual Report of Euro Nordics Soborg P/S for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2021 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset 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 out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Notes to the Financial Statements

6 Accounting Policies (continued)

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Revenue

Rental income is recognised on a straight line-basis over the term of the lease.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses concerning investment properties

Expenses concerning investment properties primarily include operating expenses for the year.

Other external expenses

Other external expenses comprise expenses for administration, counselling, quota as well as office expenses, etc.

Gross profit/loss after value adjustments

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, expenses concerning investment properties and other external expenses.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Notes to the Financial Statements

6 Accounting Policies (continued)

Balance Sheet

Investment properties

Investment properties constitute land and buildings held to earn a return on the invested capital by way of current operating income and/or capital appreciation on sale.

On acquisition investment properties are measured at cost comprising the acquisition price and costs of acquisition. The cost of own constructed investment properties comprises the acquisition price and expenses directly related to the acquisition, including costs of acquisition and indirect expenses for labour, materials, components and suppliers up until the time when the asset is ready for use.

After the initial recognition investment properties are measured at fair value. Value adjustments of investment properties are recognised in the income statement.

In Management's opinion the classification of the properties as investment properties did not cause any difficulties.

Fair value is the amount for which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction on the balance sheet date. The determination of fair value involves material accounting estimates.

The fair value of investment properties has been assessed by an independent assessor firm at 31 December 2021.

The estimates applied are based on information and assumptions considered reasonable by Management but which are inherently uncertain and unpredictable. Actual events or circumstances will probably differ from the assumptions made in the calculations as often assumed events do not occur as expected. Such difference may be material. The assumptions applied are disclosed in the notes.

Return-based valuation model

The fair value of certain investment properties has been determined at 31 December 2021 for each property by using a return-based model under which the expected future cash flows for the coming year combined with a rate of return form the basis of the fair value of the property. The calculations are based on property budgets for the coming years. The budget takes into account developments in rentals, vacancies, operating expenses, maintenance and administration, etc. The budgeted cash flow is divided by the estimated rate of return to arrive at the fair value of the property. The value thus calculated is adjusted for any non-operating assets such as cash and cash equivalents, deposits, etc if they are not shown separately in the balance sheet.

Notes to the Financial Statements

6 Accounting Policies (continued)

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Financial debts

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.