
NordEstate A/S

Værkmestergade 25, 8000 Aarhus C, Denmark

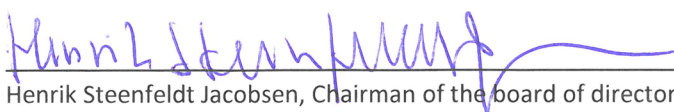
CVR.-no. 29 81 74 56

Annual Report

for the year ended 31 December 2019
11th financial year

Approved at the annual general meeting of shareholders

On 3 August 2020



Henrik Steinfeldt Jacobsen, Chairman of the board of directors

COMPANY DETAILS

NordEstate A/S
Værkmestergade 25
8000 Aarhus C
Denmark

www.nordestate.com

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BOARD OF DIRECTORS

Henrik Steinfeldt Jacobsen, Chairman
Kim Allan Schøtt, Vice Chairman
Carsten Møller Jensen

EXECUTIVE BOARD

Carsten Møller Jensen

AUDITORS

Ernst & Young P/S
Godkendt Revisionspartnerselskab
Værkmestergade 25, 8000 Aarhus C, Denmark

BANKERS

Nordea Bank

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STATEMENT BY THE BOARD OF DIRECTORS AND THE EXECUTIVE BOARD ON THE ANNUAL REPORT

Today, the board of directors and the executive board have discussed and approved the annual report of NordEstate A/S for the financial year 1 January - 31 December 2019.

The annual report is prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2019 and of the results of the company's operations and cash flows for the financial year 1 January - 31 December 2019.

Further, in our opinion, the management's review gives a fair review of the development in the company's operations and financial matters and the results of the company's operations and financial position.

We recommend that the annual report is approved by the shareholders of the company in the annual general meeting.

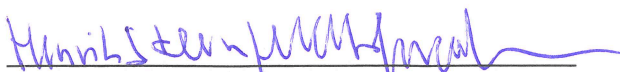
Aarhus, 15 July 2020

EXECUTIVE BOARD

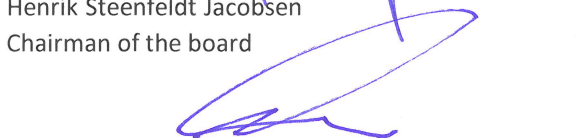


Carsten Møller Jensen
CEO

BOARD OF DIRECTORS



Henrik Steinfeldt Jacobsen
Chairman of the board



Kim Allan Schøtt
Vice chairman of the board



Carsten Møller Jensen
Member of the board

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF NORDESTATE A/S

Opinion

We have audited the financial statements of NordEstate A/S for the financial year 1 January – 31 December 2019, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies. The financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements in 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 2019 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2019 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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 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 Statements Act. We did not identify any material misstatements of the Management's review.

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 International Financial Reporting Standards as adopted by the EU and additional requirements of 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 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 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 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.

Aarhus, 15 July 2020

Ernst & Young
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Lone Nørgaard Eskildsen
State Authorised Public Accountant
mne32085

MANAGEMENT'S REVIEW

Business review

In 2019, the company continued to prepare for liquidation. It declared and paid all taxes for its prior activities and completed the related tax audits.

Outlook

NordEstate A/S will now initiate its liquidation.

INCOME STATEMENT
for the year ended 31 December

	Note	2019 EUR'000	2018 EUR'000
Other operating income		50	87
Operating expenses		-99	-231
Administrative expenses	2	-1,437	-1,587
Operating result		-1,486	-1,731
Financial income	3	1,210	2,946
Financial expenses	3	-72	-82
Profit before tax		-348	1,133
Tax for the year	4	16	-1,235
RESULT FOR THE YEAR		-332	-102
Appropriation of profit			
Profit and loss account at year end		-332	-102
		-332	-102

STATEMENT OF OTHER COMPREHENSIVE INCOME
for the year ended 31 December

	2019 EUR'000	2018 EUR'000
Profit for the year	-332	-102
Other comprehensive income	0	0
Comprehensive income for the year	-332	-102

BALANCE SHEET
at 31 December

	Note	2019 EUR'000	2018 EUR'000
ASSETS			
Long-term assets			
Property, plant and equipment			
Office and other equipment		15	16
Total long-term assets		<u>15</u>	<u>16</u>
Short-term assets			
Receivables			
Other receivables		17	182
Prepayments		240	242
Total receivables		<u>257</u>	<u>424</u>
Cash		<u>3,208</u>	<u>10,527</u>
Total short-term assets		<u>3,465</u>	<u>10,951</u>
TOTAL ASSETS		<u>3,480</u>	<u>10,967</u>

	Note	2019 EUR'000	2018 EUR'000
EQUITY AND LIABILITIES			
Equity			
Share capital	5	135	135
Retained earnings		1,479	1,811
Total equity		<u>1,614</u>	<u>1,946</u>
Liabilities			
Short-term liabilities			
Trade payables		252	73
Income taxes		7	5,219
Other payables		1,607	3,729
Total short-term liabilities		<u>1,866</u>	<u>9,021</u>
TOTAL EQUITY AND LIABILITIES		<u><u>3,480</u></u>	<u><u>10,967</u></u>

STATEMENT OF CHANGES IN EQUITY

EUR'000	Share capital	Reserve for currency translation	Retained earnings	Total equity
Equity at 1 January 2018	68	0	51,486	51,554
Result for the year			-102	-102
Other comprehensive income				0
Comprehensive income			-102	-102
Capital increases	67			67
Acquisition of own shares			-49,573	-49,573
Equity at 31 December 2018	135	0	1,811	1,946
Result for the year			-332	-332
Other comprehensive income				0
Comprehensive income			-332	-332
Equity at 31 December 2019	135	0	1,479	1,614

CASH FLOW STATEMENT

	2019	2018
	EUR'000	EUR'000
Operating result	-1,486	-1,731
Changes in receivables	184	114
Changes in other short-term liabilities	-733	300
Interest received	0	0
Interest paid	-72	-28
Payment of income taxes	-5,212	0
Cash flow from operating activities	-7,319	-1,345
Acquisitions of own shares	0	-43,811
Acquisition of property, plant and equipment	0	-16
Cash flow from investing activities	0	-43,827
Capital increases	0	67
Cash flow from financing activities	0	67
NET CASH FLOW	-7,319	-45,105
Cash and cash equivalents		
Cash at 1 January	10,527	55,632
Net cash flow	-7,319	-45,105
Cash at 31 December	<u>3,208</u>	<u>10,527</u>

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NOTE 1 ACCOUNTING POLICIES

Basis for preparation

The financial statements have been prepared in accordance with International Financial Reporting (IFRS) as adopted by the EU at 31 December 2019 and additional Danish disclosure requirements for financial statements for reporting class B entities. All approved, mandatory standards and bases for conclusion having become effective at 31 December 2019 have been applied in the financial year.

New and amended statements and bases for conclusions not yet effective

IASB has issued a number of new standards, amendments to existing standards and bases for conclusions, which have not yet come into force, but which will become effective in the financial year 2020 or later. These are not expected to have a significant effect on recognition and measurement in future annual reports.

Business combinations under common control

Business combinations or acquisition of assets under common control are recognised in accordance with the "book-value method" as follows: Acquired assets and liabilities are recognised in the financial statements at the merger date with their carrying amounts. Any gain or loss from the business combination or acquisition of assets under common control is recognised directly in equity. Comparative figures are not restated.

Currency translation

The financial statements are presented in EUR, which is also the company's functional currency. The functional currency is the currency which is used as the primary currency for the company's operations. Transactions denominated in currencies other than the functional currency are considered transactions denominated in foreign currencies.

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currency that have not been settled at the balance sheet date are translated at closing rates. Foreign-exchange differences between the rate of exchange

at the date of the transaction and the rate of exchange at the date of payment or the balance sheet date, respectively, are recognised in the income statement under 'Net financials'.

Income statement

Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised exclusive of VAT and discounts.

Administrative expenses

The company's administrative expenses represent expenses incurred in relation to overall management and administration.

Net financials

Net financials include interest income and expenses relating to receivables, cash and liabilities. Financial income and expenses are recognised in the income statement at the amounts that relate to the reporting period.

Dividends

Dividends from investments in subsidiaries are recognised in the parent company's income statement when final title to the dividend has been acquired, which is typically at the time when the company in general meeting approves the dividend distribution from the entity concerned.

Taxes

Tax for the year, which includes current tax on the year's expected taxable income and the year's deferred tax adjustments, is recognised in the income statement as far as it relates to the net profit/loss for the year and is taken directly to equity as far as it relates to entries directly in equity or other comprehensive income, respectively.

The current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax. In assessing current tax for the year, the applicable tax rates and rules on the balance sheet date are used.

Deferred tax is measured according to the balance sheet liability method on all temporary differences between the carrying amount and the tax base of

assets and liabilities. The deferred tax is stated based on the planned utilisation of the individual asset and the payment of the individual liability, respectively.

Deferred tax assets are measured at the value at which they are expected to be utilised, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities.

Balance sheet

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where the cost exceeds the recoverable amount, a write-down is made to such lower value. Possible impairment losses are included in financial expenses.

Receivables

On initial recognition, receivables are measured at fair value and subsequently at amortised cost, which usually equals nominal value, less provisions for bad debts. Provisions are made according to the property-specific collectability risk.

Prepayments

Prepayments recognised as assets include expenses incurred relating to subsequent financial years. Prepayments are measured at cost.

Liabilities

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

Cash flow statement

The cash flow statement is presented using the indirect method and shows cash flows from operating, investing and financing activities as well as the cash and cash equivalents at the beginning and end of the year and financial reserves at year-end.

Cash flows from operating activities are ascertained as the group's profit or loss before net financials, adjusted for non-cash operating items, changes in working capital, paid financial expenses and paid income taxes.

Cash flows from investing activities comprise payments related to purchases and sales of companies and activities as well as purchases and sales of property, plant and equipment and financial assets.

Cash flows from financing activities comprise changes in the size or composition of the share capital and related expenses, as well as the raising and repayment of loans, repayment of interest-bearing debt, acquisition and disposal of treasury shares and distribution of dividends.

Cash and cash equivalents comprise cash net of operating credits lines.

NOTE 2 ADMINISTRATIVE EXPENSES

Administrative expenses in 2019 include mainly costs in connection with the planned liquidation of the company.

Administrative expenses include minimum lease payments in connection with operating leases of cars totalling kEUR 0 (2018: kEUR 10).

NOTE 3 FINANCIAL INCOME AND EXPENSES

Financial income includes – as in prior year – exclusively income from the revaluation of financial instruments.

Financial expenses include – as in prior year – exclusively interest expense on liabilities and bank accounts.

NOTE 4 INCOME TAXES

	2019 EUR'000	2018 EUR'000
The year's tax expense recognised in the income statement		
Estimated tax charge for the year	0	0
Prior year adjustments	16	-1,235
Change in deferred tax	0	0
Total	16	-1,235
Restatement of tax rate		
Danish tax rate	22.0 %	22.0 %
Unrecognised deferred tax asset on tax losses carried forward	-22.0 %	-22.0 %
Effective tax rate	0.0 %	0.0 %

The company did not recognise deferred tax assets for tax losses carried forward totalling kEUR 5,294 (2018: kEUR 4,873). These tax losses have no expiration date.

NOTE 5 CAPITAL STRUCTURE

Analysis of the share capital:

	2019 EUR'000	2018 EUR'000
Class A shares	31.8	31.8
Class B shares	35.7	35.7
Class C shares	67.5	67.5
Total share capital	135.0	135.0

Analysis of changes in the share capital:

	2019 EUR'000	2018 EUR'000
Share capital at 1 January	135	68
Capital increases	0	67
Share capital at 31 December	135	135

As of 31 December 2019, the company owned 1,388,330 own shares belonging to share class A (2018: 1,388,330) and 1,613,116 own shares belonging to share class B (2018: 1,613,116).

Each share of the share classes A and C gives ten votes and each share of the share class B gives one vote. The shareholders have the power to amend the financial statements.

As of the balance sheet date the following shareholders held 5 % or more of the share capital or the voting rights:

- NordEstate Management GmbH, Zürich, Switzerland

NOTE 6 CONTINGENT LIABILITIES, SECURITIES AND OTHER FINANCIAL OBLIGATIONS**Contingent liabilities**

As of 31 December 2019, there were no contingent liabilities (2018: none).

Security

As of 31 December 2019 the company has not put up any security (2018: none).

Other obligations

As of the balance sheet date the group has the following obligations from existing service and leasing agreements:

	2019 EUR'000
2020	728
2021 and after	0
	2018 EUR'000
2019	728
2020 and after	0

NOTE 7 RELATED PARTY TRANSACTIONS

The company's related parties include members of the board of directors and executive board, executive officers and their family members. Related parties further include companies in which the above-mentioned persons hold significant interests.

The members of the board of directors and executive board are not remunerated by the company. Fees are paid via management agreements. In accordance with the management agreement, the company paid recurring fees of kEUR 240 and nonrecurring fees of kEUR 385 (2018: kEUR 240 and kEUR 198, respectively).

No other significant related party transactions have taken place in 2019 or 2018.

NOTE 8 STAFF

In 2019, the company employed an average of 1.0 FTE (2018: 1.0).

NOTE 9 POST BALANCE SHEET EVENTS

No events have occurred after the financial year-end, which could significantly affect the company's financial position.

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