Vingen Ejendomme ApS

Sofiendalsvej 88, 9200 Aalborg SV

Company reg. no. 32 93 48 62

Annual report

1 January - 31 December 2020

The annual report was submitted and approved by the general meeting on the 28 May 2021.

Jack Johannes Richard Nyberg
Chairman of the meeting

Contents

Notes:
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

Today, the managing director has presented the annual report of Vingen Ejendomme ApS for the financial year 1 January - 31 December 2020.

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

I consider the accounting policies appropriate and, in my opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the company's results of activities in the financial year 1 January – 31 December 2020.

I am of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

Aalborg SV, 28 May 2021

Managing Director

Jack Johannes Richard Nyberg

Independent auditor's report

To the shareholders of Vingen Ejendomme ApS

Opinion

We have audited the financial statements of Vingen Ejendomme ApS for the financial year 1 January - 31 December 2020, which comprise income statement, statement of financial position, notes and accounting policies. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the results of the company's activities for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to note 1 of the financial statements, which describes uncertainties regarding recognition and measurement of the company's investment properties and investment properties in group enterprises.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

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 including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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 international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment 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 the 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 preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a fair view.

Independent auditor's report

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 the internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Aalborg, 28 May 2021

Redmark
State Authorised Public Accountants
Company reg. no. 29 44 27 89

Alex Hoffmann Kristensen
State Authorised Public Accountant
mne33705

Company information

The company	Vingen Ejendomme ApS Sofiendalsvej 88 9200 Aalborg SV	
	Phone	39280574
	Company reg. no.	32 93 48 62
	Financial year:	1 January - 31 December
Managing Director	Jack Johannes Richard Nyberg	
Auditors	Redmark Statsautoriseret Revisionspartnerselskab Hasseris Bymidte 6 9000 Aalborg	
Bankers	Nordea Bank, Grønjordsvej 10, 2300 København S	
Lawyer	Advokatfirmaet Børge Nielsen, Hasserisvej 174, 9000 Aalborg	

Management commentary

The principal activities of the company

Like previous years, the principal activities are owning and lease of real estate.

Uncertainties about recognition or measurement

We refer to note 1 for a description of materiale estimates and evaluations of accounting.

Development in activities and financial matters

The result of the year is considered satisfactory.

Is is expected that the property remains fully leased and generates positive results for the 2021 financial year.

Income statement 1 January - 31 December

All amounts in DKK.

Note		2020	2019
	Gross profit	**5.169.393**	**5.208.811**
	Value adjustment of investment property	-11.000.000	5.986.387
	Operating profit	**-5.830.607**	**11.195.198**
	Income from equity investments in group enterprises	14.139.221	-1.672.089
	Other financial income	28.308	302.545
	Other financial costs	-2.040.902	-1.238.649
	Pre-tax net profit or loss	**6.296.020**	**8.587.005**
	Tax on ordinary results	1.786.324	-2.259.418
	Net profit or loss for the year	**8.082.344**	**6.327.587**
	Proposed appropriation of net profit:		
	Reserves for net revaluation according to the equity method	14.139.221	-1.672.089
	Dividend for the financial year	4.000.000	3.000.000
	Transferred to retained earnings	0	4.999.676
	Allocated from retained earnings	-10.056.877	0
	Total allocations and transfers	**8.082.344**	**6.327.587**

Statement of financial position at 31 December

All amounts in DKK.

Note	Assets	2020	2019
	Non-current assets		
3	Investment property	95.000.000	106.000.000
	Total property, plant, and equipment	95.000.000	106.000.000
4	Equity investment in group enterprise	59.679.466	45.540.245
	Total investments	59.679.466	45.540.245
	Total non-current assets	**154.679.466**	**151.540.245**
	Current assets		
	Receivable corporate tax	728.163	258.944
	Tax receivables from group enterprises	1.671.837	1.061.542
	Other debtors	37.500	37.500
	Total receivables	2.437.500	1.357.986
	Available funds	61.727	238.326
	Total current assets	**2.499.227**	**1.596.312**
	Total assets	**157.178.693**	**153.136.557**

Statement of financial position at 31 December

All amounts in DKK.

Equity and liabilities

Note		2020	2019
	Equity		
	Contributed capital	81.000	81.000
	Reserves for net revaluation as per the equity method	45.424.259	31.285.038
	Results brought forward	22.767.184	29.824.062
	Proposed dividend for the financial year	4.000.000	3.000.000
	Total equity	**72.272.443**	**64.190.100**
	Provisions		
	Provisions for deferred tax	8.042.008	9.828.351
	Total provisions	**8.042.008**	**9.828.351**
	Liabilities other than provisions		
	Mortgage debt	36.868.135	41.197.344
	Deposits	3.827.051	3.827.051
	Total long term liabilities other than provisions	40.695.186	45.024.395
	Current portion of long term payables	4.305.564	4.309.406
	Trade creditors	25.000	90.574
	Debt to group enterprises	30.781.431	29.001.367
	Other debts	1.057.061	692.364
	Total short term liabilities other than provisions	36.169.056	34.093.711
	Total liabilities other than provisions	**76.864.242**	**79.118.106**
	Total equity and liabilities	**157.178.693**	**153.136.557**

1 **Uncertainties concerning recognition and measurement**

2 **Disclosures on fair value**

5 **Charges and security**

6 **Contingencies**

Notes

All amounts in DKK.

1. Uncertainties concerning recognition and measurement

During the preparation of the annual report, Management makes a number of accounting estimates to valuate and factor in the Company's assets and liabilities. The valuation of the company's investment properties is an accounting estimate.

The company's investment properties consists of larger industrial real estate.

The market for this type of properties is limited and there are only few potential buyers. As such there is a risk that the properties in a sale will not fetch the fair value which is recognized in the annual statement.

When measuring the properties continued letting of the properties beyond the fixed period, which is included in the existing lease contract, is assumed. There is a risk concerning the expected lease income after the expiration of the fixed period and therefore an uncertainty about the valuation of the properties. Reference is made to the sensitivity analysis of the fair value of the properties in the property note.

The above mentioned uncertainty is also valid for the investment properties of the subsidiary, meaning there is also uncertainty concerning the valuation of equity investments in group enterprises.

2. Disclosures on fair value

	Investment property
Fair value at 31 December 2020	95.000.000
Change in fair value of the year recognised in the statement of financial activity	-11.000.000

	31/12 2020	31/12 2019
3. Investment property		
Cost 1 January 2020	86.517.400	86.517.400
Cost 31 December 2020	**86.517.400**	**86.517.400**
Fair value adjustment 1 January 2020	19.482.600	13.496.213
Adjust of the year to fair value	-11.000.000	5.986.387
Fair value adjustment 31 December 2020	**8.482.600**	**19.482.600**
Carrying amount, 31 December 2020	**95.000.000**	**106.000.000**

Notes

All amounts in DKK.

3. Investment property (continued)

The measurement of properties is made using a returnbased cash flow model based on expected future net cash flows over a period of 10 years. The required rate of return is determined by an external assessor. The fair value measurement is made on the basis of estimated rental income and expected operating costs, including scheduled maintenance. Cash flows beyond the 10th year (terminal value) is determined according to a netrent model based on the 10th year, but at average estimates as to vacant periods, improvement costs, major maintenance costs, and investments. Cash flows from each year and the value of the terminal year are discounted with the required rate of return determined for each individual property with addition of inflation.

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

The material, nonobservable inputs in relation to the calculation of the fair value are:

	2020	2019
Required rate of return in %	6,50	7,0

Sensitivity analysis:
The major factors in determining the fair value of the property are the rates of return and incoming rent, respectively. A change in the rate of return of +0,50% will result in a decrease of t. DKK 5.943 in the fair value of the property. On the other hand a change of -0,50% will result in an increase of t.DKK 6.930 in the fair value.

A decrease in the rental income of 10 percentage point would result in a fluctuation in the fair value of the property totalling t.DKK 5.088.

	31/12 2020	31/12 2019
4. Equity investment in group enterprise		
Acquisition sum, opening balance 1 January 2020	14.255.207	14.255.207
Cost 31 December 2020	**14.255.207**	**14.255.207**
Revaluations, opening balance 1 January 2020	31.285.038	32.957.127
Results for the year before goodwill amortisation	14.139.221	-1.672.089
Revaluation 31 December 2020	**45.424.259**	**31.285.038**
Carrying amount, 31 December 2020	**59.679.466**	**45.540.245**

Notes

All amounts in DKK.

5. Charges and security

As collateral for mortgage loans, t.DKK 41.174, security has been granted on land and buildings representing a carrying amount of t.DKK 95.000 at 31 December 2020.

The company has issued mortgages registered to the owners totalling t.DKK 124.286 as security for group bank loans. The mortgages registered to the owners provide security on the above land and buildings.

For bank loans, t.DKK 178, the company has provided security in shares in group companies, representing a nominal value of t.DKK 500. The booked value of the shares is 59.679 t.DKK

6. Contingencies

Contingent liabilities

Recourse guarantee commitments:

The company has guaranteed the bank loans of the group enterprises. On 31 December 2020, the total bank loans of the group enterprises totalled t.DKK 5.739 and guarantees are capped at t.DKK 19.000.

The company has guaranteed for mortgage loans of group enterprises. On 31 December 2020, the total mortgage loans of group compianes totals t.DKK 208.059.

Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

Any subsequent adjustments of corporate taxes or withholding taxes, etc., may result in changes in the company's liabilities.

Accounting policies

The annual report for Vingen Ejendomme ApS 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.

Income statement

Gross profit

Gross profit comprises the revenue and external costs.

Lease income comprises income from the lease of property and from overhead costs collected and is recognised in the income statement for the period relating to the lease payment. Income from the heating account is recognised in the statement of financial position as a balance with lessees.

Other external costs comprise costs incurred administration.

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.

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, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from equity investments in group enterprise and associates

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the group enterprise is recognised in the income statement as a proportional share of the group enterprises' post-tax profit or loss.

After full elimination of intercompany profit or loss less amortised of consolidated goodwill, the equity investment in the individual associates are recognised in the income statement as a proportional share of the associate' post-tax profit or loss.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Accounting policies

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable by the Danish consolidated companies is paid to the tax authorities by the company.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

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, investments are measured individually on the basis of a return-based cash flow model based on expected future net cash flows over a period of 10 years. The required rate of return is determined by an external assessor. Fair value measurement is made on the basis of estimated lease income and expected operating costs, including scheduled maintenance. 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”.

Investments

Equity in group enterprise and associates

Equity in group enterprise and associates are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Accounting policies

Equity in group enterprise and associates recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 5-20 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterpriseswith a strong market position and a long-term earnings profile.

In relation to material assets and liabilities recognised in group enterprises, associates and equity interests but are not represented in the parent, the following accounting policies have been applied.

Equity in group enterprise and associates with a negative equity value measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover an negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprise and associates are transferred to the reserve under equity for net revaluation according to the equity method. Dividend from group enterprise expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in group enterprise and associates.

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

On the acquisition of enterprises, the acquisition method, the uniting-of-interests method or the book value method is applied, cf. the above description under Business combinations.

Receivables

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

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired.If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Equity

Share premium

Share premium comprises premium payments made in connection with the issue of shares. Costs incurred for carrying through an issue are deducted from the premium.

The premium reserve can be used for dividend, for issuing bonus shares, and for covering losses.

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries, associates and equity interests proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by a negative amount.

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Income tax and deferred tax

As administration company, Vingen Ejendomme ApS is liable to the tax authorities for the subsidiaries' corporate income taxes.

Accounting policies

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as ”Income tax receivable” or “Income tax payable”.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

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.

Also, capitalised residual leasing liabilities associated with financial leasing contracts are recognised in the financial liabilities.

Accounting policies

Liabilities other than provisions relating to investment properties are measured at amortised cost.

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