

DIS House ApS

Ørstedvej 10, 8660 Skanderborg

CVR no. 34 20 19 43

Annual report 2019/20

Approved at the Company's annual general meeting on 21 October 2020

Chairman:



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Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of DIS House ApS for the financial year 1 July 2019 - 30 June 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 financial position of the Company at 30 June 2020 and of the results of the Company's operations for the financial year 1 July 2019 - 30 June 2020.

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.

Skanderborg, 21 October 2020
Executive Board:



Søren Bunk Jensen



Michael Carsten Christian
Gadeberg

Independent auditor's report

To the shareholders of DIS House ApS

Opinion

We have audited the financial statements of DIS House ApS for the financial year 1 July 2019 - 30 June 2020, 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 30 June 2020 and of the results of the Company's operations for the financial year 1 July 2019 - 30 June 2020 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 requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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:

Independent auditor's report

- ▶ 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.

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.

Aarhus, 21 October 2020
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Peter U. Faurschou
State Authorised Public Accountant
mne34502



Management's review

Company details

Name	DIS House ApS
Address, Postal code, City	Ørstedesvej 10, 8660 Skanderborg
CVR no.	34 20 19 43
Established	2 January 2012
Registered office	Skanderborg
Financial year	1 July 2019 - 30 June 2020
Executive Board	Søren Bunk Jensen Michael Carsten Christian Gadeberg
Auditors	EY Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark



Management's review

Business review

The Company's purpose is the administration, purchase and sale of property as well as other related services at the description of the Executive Board.

Financial review

The income statement for 2019/20 shows a profit of DKK 2,509 thousand against a profit of DKK 3,180 thousand last year, and the balance sheet at 30 June 2020 shows equity of DKK 11,939 thousand.

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 July 2019 - 30 June 2020

Income statement

Note	DKK	2019/20	2018/19
	Gross profit	4,619,345	4,469,572
	Depreciation of fixtures and fittings, other plant and equipment	0	-9,864
	Profit before net financials	4,619,345	4,459,708
2	Financial income	51,073	42,751
3	Financial expenses	-1,454,937	-425,399
	Profit before tax	3,215,481	4,077,060
4	Tax for the year	-706,548	-896,714
	Profit for the year	<u>2,508,933</u>	<u>3,180,346</u>
	Recommended appropriation of profit		
	Extraordinary dividend distributed in the year	28,400,000	0
	Retained earnings/accumulated loss	-25,891,067	3,180,346
		<u>2,508,933</u>	<u>3,180,346</u>

Financial statements 1 July 2019 - 30 June 2020

Balance sheet

Note	DKK	2019/20	2018/19
	ASSETS		
	Fixed assets		
5	Property, plant and equipment		
6	Investment property	72,513,000	72,513,000
	Fixtures and fittings, other plant and equipment	0	0
		<u>72,513,000</u>	<u>72,513,000</u>
	Total fixed assets	<u>72,513,000</u>	<u>72,513,000</u>
	Non-fixed assets		
	Receivables		
	Receivables from group enterprises	2,379,033	2,748,975
	Prepayments	20,031	19,822
		<u>2,399,064</u>	<u>2,768,797</u>
	Cash	0	24,844
	Total non-fixed assets	<u>2,399,064</u>	<u>2,793,641</u>
	TOTAL ASSETS	<u>74,912,064</u>	<u>75,306,641</u>
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	80,000	80,000
	Retained earnings	11,859,330	37,750,397
	Total equity	<u>11,939,330</u>	<u>37,830,397</u>
	Provisions		
	Deferred tax	8,046,900	8,107,800
	Total provisions	<u>8,046,900</u>	<u>8,107,800</u>
	Liabilities other than provisions		
7	Non-current liabilities other than provisions		
	Mortgage debt	34,064,422	13,576,512
	Deposits group enterprises	4,693,490	2,346,745
		<u>38,757,912</u>	<u>15,923,257</u>
	Current liabilities other than provisions		
7	Short-term part of long-term liabilities other than provisions	1,787,686	1,155,294
	Bank debt	12,996,477	10,048,540
	Corporation tax payable	767,437	1,632,495
	Other payables	616,322	608,858
		<u>16,167,922</u>	<u>13,445,187</u>
	Total liabilities other than provisions	<u>54,925,834</u>	<u>29,368,444</u>
	TOTAL EQUITY AND LIABILITIES	<u>74,912,064</u>	<u>75,306,641</u>

- 1 Accounting policies
8 Contractual obligations and contingencies, etc.
9 Collateral

Financial statements 1 July 2019 - 30 June 2020

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 July 2019	80,000	37,750,397	37,830,397
Transfer through appropriation of profit	0	2,508,933	2,508,933
Proposed extraordinary dividend recognised under equity	0	-28,400,000	-28,400,000
Equity at 30 June 2020	80,000	11,859,330	11,939,330

Financial statements 1 July 2019 - 30 June 2020

Notes to the financial statements

1 Accounting policies

The annual report of DIS House ApS for 2019/20 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.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Income statement

Revenue

Rental income and costs are accrued in a way that they cover the period up to the financial year end. External costs include property expenses and administration. Contributions collected to cover heating costs are not included in rental income.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue', 'Costs of sale', 'Other external expenses' and 'Other operating income' are consolidated into one item designated 'Gross profit'.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Financial statements 1 July 2019 - 30 June 2020

Notes to the financial statements

1 Accounting policies (continued)

Depreciation

The item comprises depreciation of fixtures and fittings, other plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Fixtures and fittings, other plant and equipment	3-5 years
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Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed companies entitled to a tax refund are, as a minimum, reimbursed by the management company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to the current rates applicable to interest surcharges to the management company.

Balance sheet

Property, plant and equipment

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.

Fixtures and fittings, other plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Financial statements 1 July 2019 - 30 June 2020

Notes to the financial statements

1 Accounting policies (continued)

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables with no objective indication of individual impairment are tested for objective indication of impairment on a portfolio basis. The portfolios are primarily composed on the basis of debtors' domicile and credit ratings in accordance with the Company's risk management policy. The objective indicators used for portfolios are determined based on historical loss experience.

Write-downs 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. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

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

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

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.

Financial statements 1 July 2019 - 30 June 2020

Notes to the financial statements

DKK	2019/20	2018/19	
2 Financial income			
Interest receivable, group entities	51,073	42,741	
Other financial income	0	10	
	<u>51,073</u>	<u>42,751</u>	
3 Financial expenses			
Other financial expenses	1,454,937	425,399	
	<u>1,454,937</u>	<u>425,399</u>	
4 Tax for the year			
Estimated tax charge for the year	767,448	833,514	
Deferred tax adjustments in the year	-60,900	63,200	
	<u>706,548</u>	<u>896,714</u>	
5 Property, plant and equipment			
DKK	Investment property	Fixtures and fittings, other plant and equipment	Total
Cost at 1 July 2019	45,620,154	255,474	45,875,628
Cost at 30 June 2020	45,620,154	255,474	45,875,628
Revaluations at 1 July 2019	26,892,846	0	26,892,846
Revaluations at 30 June 2020	26,892,846	0	26,892,846
Impairment losses and depreciation at 1 July 2019	0	255,474	255,474
Impairment losses and depreciation at 30 June 2020	0	255,474	255,474
Carrying amount at 30 June 2020	<u>72,513,000</u>	<u>0</u>	<u>72,513,000</u>

Note 8 provides more details on security for loans, etc. as regards property, plant and equipment.

6 Investment property

Fair value estimation

The fair value of the investment property is estimated on the basis of the budget for the coming year, adjusted for fluctuations of a one-off nature. This, adjusted budget reflects 'normalised' results of operations and is used in combination with a relevant yield requirement to estimate the fair value based on a yield-based model.

The company owns one investment property and the property is primarily used for office and a minor part of the building is used for production and stock. The property is located in the outer area of Aarhus, Denmark and is categorized as a building determined for office-use. The price per. square meters is in the range of 11.000 DKK.

Financial statements 1 July 2019 - 30 June 2020

Notes to the financial statements

The most significant fair value assumption is the average yield requirement 6.0% and the budget for the coming years. The yield requirement is determined on the basis of the property location, the current condition of the property, rental income per. square meters and the level of future rental income.

The fair value of the investment properties at 30/6 2020 is DKK 72,513 thousand. The fair value is an estimate made by management on the basis of information available and actual expectations as to the future. The sensitivity of the average yield requirement may be illustrated as follows: an increase in the yield percentage of 1 percentage points will imply a decrease in the fair value of DKK 7,524 thousand. A decrease of the yield percentage of 1 percentage points will imply an increase in the fair value of DKK 16.141 thousand.

7 Non-current liabilities other than provisions

DKK	Total debt at 30/6 2020	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Mortgage debt	35,852,108	1,787,686	34,064,422	26,821,847
Deposits group enterprises	4,693,490	0	4,693,490	0
	<u>40,545,598</u>	<u>1,787,686</u>	<u>38,757,912</u>	<u>26,821,847</u>

8 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company is jointly taxed with DIS Group Holding A/S, which acts as management company, and has limited and alternative liability together with other jointly taxed group entities for payment of income taxes for income year 2013 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 1 July 2012.

9 Collateral

Land and buildings with a carrying amount of DKK 72,513 thousand at 30 June 2020 have been provided as collateral for debt to mortgage credit institutions of DKK 35.852 thousand. An owner's mortgage of DKK 37.380 thousand has been issued and provided as collateral for debt to credit institutions.

As collateral for bank institutions, mortgages have been issued and provided for DKK 15,000 thousand in property with a carrying amount of DKK 72,513 thousand.