

# **Nordic III Aarhus ApS**

**Meldahlsgade 5, C/O CEJ Ejendomsadministration A/S, 1613 København V**

**CVR no. 34 55 16 93**

## **Annual report**

**1 April 2021 - 31 March 2022**

The annual report was submitted and approved by the general meeting on the 7 July 2022.

---

Peter Eric Broström

## Contents

---

	<u>Page</u>
<b>Reports</b>	
Management's statement	1
Independent auditor's report	2
<b>Management's review</b>	
Company information	5
Management's review	6
<b>Financial statements 1 April 2021 - 31 March 2022</b>	
Accounting policies	7
Income statement	10
Balance sheet	11
Notes	13

## **Management's statement**

---

The Board of Directors and the Managing Director have approved the annual report of Nordic III Aarhus ApS for the financial year 1 April 2021 - 31 March 2022.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 March 2022 and of the results of the Company's operations for the financial year 1 April 2021 – 31 March 2022.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

13 June 2022

### **Management director**

Peter Eric Broström

### **Board of directors**

Peter Eric Broström

Roland Maria Döhn

Hélène Henning

Karl Rikard Anton Karlström

## **Independent auditor's report**

---

### **To the Shareholders of Nordic III Aarhus ApS**

#### **Opinion**

We have audited the financial statements of Nordic III Aarhus ApS for the financial year 1 April 2021 - 31 March 2022, which comprise a summary of significant accounting policies, income statement, balance sheet and notes, for the Company. The financial statements are prepared under 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 March 2022, and of the results of the Company's operations for the financial year 1 April 2021 - 31 March 2022 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 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.

#### **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.

## **Independent auditor's report**

---

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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 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 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.

## **Independent auditor's report**

---

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, we conclude that 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 Management's Review.

Aabyhøj, 13 June 2022

### **RSM Danmark**

Statsautoriseret Revisionspartnerselskab  
Company reg. no. 25 49 21 45

### **John Lindholm Bode**

State Authorised Public Accountant  
mne32840

## Company information

---

**The company**

Nordic III Aarhus ApS  
Meldahlsgade 5  
C/O CEJ Ejendomsadministration A/S  
1613 København V

Company reg. no. 34 55 16 93

Financial year: 1 April - 31 March

**Board of directors**

Peter Eric Broström  
Roland Maria Döhn  
Hélène Henning  
Karl Rikard Anton Karlström

**Managing Director**

Peter Eric Broström

**Auditors**

RSM Danmark Statsautoriseret Revisionspartnerselskab  
Søren Frichs Vej 36 L  
8230 Aabyhøj

## **Management's review**

---

### **The principal activities of the company**

Like previous years, the objective for the Company is to invest in real estate property as well as other related activities.

### **Development in activities and financial matters**

The gross profit for the year totals DKK 14,145,956 against DKK 12,998,498 last year. Income from ordinary activities after tax totals DKK 8,510,852 against DKK 4,225,184 last year. Management considers the net profit or loss for the year satisfactory.

### **Events occurring after the end of the financial year**

No events have occurred after the balance sheet date which could significantly affect the Company's financial position.



## Accounting policies

---

The annual report for Nordic III Aarhus 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, other operating income, and external costs.

Rental revenue from operating leases is recognised as income on a straight line basis over the lease period. When the Company provides incentives to its tenants, the cost of incentives is recognised over the lease period, on a straight line basis.

Other operating income comprises items secondary to the activities of the entity, including gains on the disposal of property, plant and equipment.

Other external expenses comprise administration expenses and costs in relation to buildings.

#### Financial income and expenses

These items comprise interest income and interest expenses, realized and unrealized capital gains and losses on mortgage debt and transactions in foreign currencies, as well as tax surcharge and relief under the Danish Tax Prepayment Scheme.

#### Tax on profit for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

## Accounting policies

---

### Statement of financial position

#### **Investment properties**

Investment property comprises property that is held to earn rentals, held for capital appreciation or both.

Initially, investment property is measured at cost including purchase price and directly related costs. The carrying amount also includes costs for improvements if the recognition criteria are met.

Subsequent to initial recognition, investment property is stated at fair value. Gains or losses arising from changes in the fair values are included in the income statement in the year in which they arise.

The properties are valued using the income capitalisation method where a property's fair value is estimated based on the normalised net operating income generated by the property, which is divided by the capitalisation rate. The calculated value is adjusted with expected future change in rental value, voids, capital expenses and other special circumstances.

The valuations were performed by CBRE, an accredited independent valuer with recognised and relevant professional qualifications and recent experience of the location and category of the investment property valued. The valuation model applied is in accordance with that recommended by the International Valuation Standards Committee. These valuation models are consistent with the principles in IFRS 13.

Investment properties are not depreciated.

#### **Receivables**

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

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank.

#### **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.

##### **Dividend**

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

## Accounting policies

---

### Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; 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. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with 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. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

### Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at net realisable value.

### Equity

The expected dividends payment for the year is disclosed as a separate item under equity.

## Income statement 1 April - 31 March

All amounts in DKK.

<u>Note</u>	<u>2021/22</u>	<u>2020/21</u>
<b>Gross profit</b>	<b>14.145.956</b>	<b>12.998.498</b>
Fair value adjustment of property	1.656.779	-2.361.276
<b>Operating profit</b>	<b>15.802.735</b>	<b>10.637.222</b>
2 Other financial expenses	-4.891.380	-4.895.640
<b>Pre-tax net profit or loss</b>	<b>10.911.355</b>	<b>5.741.582</b>
3 Tax on profit for the year	-2.400.503	-1.516.398
<b>Net profit or loss for the year</b>	<b>8.510.852</b>	<b>4.225.184</b>
<b>Proposed appropriation of net profit:</b>		
Dividend for the financial year	8.100.000	7.975.802
Allocated to results brought forward	410.852	0
Allocated from retained earnings	0	-3.750.618
<b>Total allocations and transfers</b>	<b>8.510.852</b>	<b>4.225.184</b>

## Balance sheet at 31 March

All amounts in DKK.

<b>Assets</b>			
<u>Note</u>		<u>2022</u>	<u>2021</u>
<b>Non-current assets</b>			
4	Property	<u>237.236.132</u>	<u>235.579.353</u>
	Total property, plant, and equipment	<u>237.236.132</u>	<u>235.579.353</u>
	<b>Total non-current assets</b>	<b><u>237.236.132</u></b>	<b><u>235.579.353</u></b>
<b>Current assets</b>			
	Income tax receivables	93.000	35.000
5	Other receivables	<u>1.874.513</u>	<u>2.118.426</u>
	Total receivables	<u>1.967.513</u>	<u>2.153.426</u>
	Cash and cash equivalents	<u>9.202.063</u>	<u>8.643.343</u>
	<b>Total current assets</b>	<b><u>11.169.576</u></b>	<b><u>10.796.769</u></b>
	<b>Total assets</b>	<b><u>248.405.708</u></b>	<b><u>246.376.122</u></b>

## Balance sheet at 31 March

All amounts in DKK.

<b>Equity and liabilities</b>			
<u>Note</u>		<u>2022</u>	<u>2021</u>
<b>Equity</b>			
	Contributed capital	9.500.100	9.500.100
	Share premium	0	35.123.917
	Retained earnings	53.059.668	17.524.899
	Proposed dividend for the financial year	8.100.000	7.975.802
	<b>Total equity</b>	<b>70.659.768</b>	<b>70.124.718</b>
<b>Provisions</b>			
6	Provisions for deferred tax	12.732.712	10.469.922
	<b>Total provisions</b>	<b>12.732.712</b>	<b>10.469.922</b>
<b>Liabilities other than provisions</b>			
7	Mortgage loans	105.253.089	105.218.617
8	Shareholder loan	58.500.000	58.500.000
	Total long term liabilities other than provisions	163.753.089	163.718.617
	Trade payables	18.684	887.339
	Payable tax	137.713	0
	Other payables	667.784	972.923
	Deferred income	435.958	202.603
	Total short term liabilities other than provisions	1.260.139	2.062.865
	<b>Total liabilities other than provisions</b>	<b>165.013.228</b>	<b>165.781.482</b>
	<b>Total equity and liabilities</b>	<b>248.405.708</b>	<b>246.376.122</b>
<b>9 Charges and security</b>			
<b>10 Related party disclosures</b>			

## Notes

---

All amounts in DKK.

	<u>2021/22</u>	<u>2020/21</u>
<b>1. Average number og full-time employees</b>		
Average number of full-time employees	<u>0</u>	<u>0</u>
<b>2. Other financial expenses</b>		
Interest expense to group entities	3.510.000	3.510.000
Other financial costs	<u>1.381.380</u>	<u>1.385.640</u>
	<b><u>4.891.380</u></b>	<b><u>4.895.640</u></b>
<b>3. Tax on profit for the year</b>		
Tax on net profit or loss for the year	137.713	0
Deferred tax for the year	2.262.786	1.266.100
Adjustment of tax for previous years	0	285.935
Adjustment of deferred tax concerning previous years	<u>4</u>	<u>-35.637</u>
	<b><u>2.400.503</u></b>	<b><u>1.516.398</u></b>

## Notes

All amounts in DKK.

### 4. Property

Cost 1 April 2021	230.445.123	230.445.123
<b>Cost 31 March 2022</b>	<b>230.445.123</b>	<b>230.445.123</b>
Revaluation 1 April 2021	5.134.230	7.495.506
Revaluations for the year	1.656.779	-2.361.276
<b>Revaluation 31 March 2022</b>	<b>6.791.009</b>	<b>5.134.230</b>
<b>Carrying amount, 31 March 2022</b>	<b>237.236.132</b>	<b>235.579.353</b>

#### Key assumptions:

The 2 properties, totalling 10,799 sqm, are located in Aarhus and is mainly used for retail. In the valuation of the properties an average exit yield of 4.72% has been applied. The valuation according to an independent valuer amounts to DKK 239.1 million including rental incentives of DKK 1,863 thousand classified as other receivables.

#### Sensitivity analysis:

An increase of exit yield by 0.25 percentage points would reduce the properties value by DKK 9.8 millions and a decrease in the exit yield by 0.25 percentage points would increase the properties value by DKK 2.1 millions at the balance sheet date.

### 5. Other receivables

Rent incentives	1.863.868	1.920.647
Other receivables	10.645	197.779
	<b>1.874.513</b>	<b>2.118.426</b>

### 6. Provisions for deferred tax

Provisions for deferred tax 1 April 2021	10.469.922	9.217.879
Deferred tax for the year	2.262.790	1.252.043
	<b>12.732.712</b>	<b>10.469.922</b>

### 7. Mortgage loans

<b>Total mortgage loans</b>	<b>105.253.089</b>	<b>105.218.617</b>
Outstanding debt after five years	89.074.285	93.875.167



## Notes

---

All amounts in DKK.

	<u>31/3 2022</u>	<u>31/3 2021</u>
<b>8. Shareholder loan</b>		
<b>Total shareholder loan</b>	<b><u>58.500.000</u></b>	<b><u>58.500.000</u></b>
Outstanding debt after five years	<u>58.500.000</u>	<u>58.500.000</u>

## 9. Charges and security

As collateral for mortgage loans, DKK 105,253 thousand, the Company has provided collateral in land and buildings representing a carrying amount of DKK 237,236 thousand at 31 March 2022.

## 10. Related party disclosures

### Control

Nordic III Aarhus ApS is part of the consolidated financial statements of Savills Investment Management KVG GmbH, org.nr HRV 68783, Frankfurt am Main, Germany, which is the smallest group, in which the Company is included as a subsidiary.

The consolidated financial statements of Savills Investment Management KVG GmbH can be obtained by contacting the company at the address above.