

AREKIM FRB24 ApS

c/o 33831 Newsec PAM Denmark A/S
Lyngby Hovedgade 4,
2800 Kongens Lyngby

CVR No. 35212078

Annual Report 2020

8. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 2 July 2021

Leif Gustav Andersson
Chairman

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Management's Statement

The Board of Directors and the Executive Board have today discussed and approved the annual report of AREKIM FRB24 ApS for the financial year 1 January 2020 - 31 December 2020.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January 2020 - 31 December 2020.

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

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

Kongens Lyngby, 2 July 2021

Executive Board

Morten Sennecker Schultz

Supervisory Board

Leif Gustav Andersson
Chairman

Eva Maria Therese Rattik
Member

Morten Sennecker Schultz
Member

Independent Auditors' Report

To the shareholders of AREKIM FRB24 ApS

Opinion

We have audited the financial statements of AREKIM FRB24 ApS for the financial year 1 January 2020 - 31 December 2020, which comprise an income statement, balance sheet, statement of changes in equity and notes. 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 Company's financial position at 31 December 2020 and of the results of its operations for the financial year 1 January 2020 - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in our auditors' report under "Auditors' responsibility for the audit of the financial statements". As required by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, we are independent of the Company, 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.

Management's responsibility 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 considers 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 either liquidate the Company or suspend operations, or has no realistic alternative but to do so.

The auditor's responsibility for the audit of the financial statements

Our responsibility is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain an attitude of professional skepticism throughout the audit. We also:

- * Identify and assess the risk of material misstatements in 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 a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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.

Independent Auditors' Report

- * Evaluate whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.
- * Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could 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 auditors' 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 auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.
- * Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements reflect 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 which we identify during our audit.

Statement on 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 opinion providing assurance regarding the Management's review.

Our responsibility in connection with our audit of the financial statements 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 with the knowledge we have gained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

Copenhagen, 2 July 2021

KPMG

Statsautoriseret Revisionspartnerselskab

CVR-no. 25578198

Carsten Nielsen

State Authorised Public Accountant

mne30212

AREKIM FRB24 ApS

Company details

Company	AREKIM FRB24 ApS c/o 33831 Newsec PAM Denmark A/S Lyngby Hovedgade 4, 2800 Kongens Lyngby CVR No.: 35212078 Date of formation: 5 April 2013 Registered office: Lyngby-Tårnbæk
Supervisory Board	Leif Gustav Andersson Eva Maria Therese Rattik Morten Sennecker Schultz
Executive Board	Morten Sennecker Schultz
Auditors	KPMG Statsautoriseret Revisionspartnerselskab Dampfærgevej 28 2100 København Ø CVR-no.: 25578198

Management's Review

The Company's principal activities

The Company's principal activities consist in owning and managing the property Frederiksberggade 24, 1459 Copenhagen (Denmark), and conducts activities associated therewith.

Insecurity regarding recognition or measurement

Investment properties are measured at fair value based on the return-based valuation model.

The valuation is associated with significant estimates of future rental level, operating costs, required rate of return, as well as other assumptions.

As a result of this, the management has prepared a sensitivity analysis regarding a changed required rate of return.

A change of +/- 0.25 percentage points in the required rate of return means approx. -16.2 / + 18.5 million DKK in changed market value.

Development in activities and financial matters

The Company's Income Statement of the financial year 1 January 2020 - 31 December 2020 shows a profit of T.DKK 25.172 and the Balance Sheet at 31 December 2020 a balance sheet total of T.DKK 238.399 and an equity of T.DKK 119.266.

The company has this year been acquired by a new group. The Group recognizes all properties at fair value, which is why a change in accounting policies has been chosen this year as fair value instead of cost price.

There is no accumulated effect of the change of policy for 2020. For 2019 the change in accounting policies won't have an accumulated effect for 2019 due to the property was written down to the recoverable value of 207.306 DKK'000. The recoverable value in 2019 was calculated as the fair value of the investment property. The effect is changed in note 3 regarding the investment property, where impairment losses from 2019 are shown as fair value.

Post financial year events

There have been no significant events after the end of the financial year.

Accounting Policies

Reporting Class

The Annual Report of AREKIM FRB24 ApS for 2020 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B entities under the Danish Financial Statements Act with option from higher reporting classes.

Changed accounting policies, estimates and errors

Accounting policies has been changed as follows:

The company has this year been acquired by a new group. The Group recognizes all properties at fair value, which is why a change in accounting policies has been chosen this year as fair value instead of cost price. There is no accumulated effect of the change of policy for 2020. For 2019 the change will not impact profit or equity, since it is an adaptation of the classification. The change in accounting policies won't have an accumulated effect for 2019 due to the property was written down to the recoverable value of 207.306 DKK'000. The recoverable value in 2019 was calculated as the fair value of the investment property. The effect is changed in note 3 regarding the investment property, where impairment losses from 2019 are shown as fair value.

Apart from the above mentioned fields, the accounting policies are consistent with those of the previous year.

Reporting currency

The Annual Report is presented in Danish kroner.

General Information

Basis of recognition and measurement

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

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Accounting Policies

Income Statement

Gross profit/loss

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit. The financial statements items revenue and other external costs are aggregated in the financial item gross profit.

Revenue

Revenue, comprising rental income, is recognised in the period to which it relates.

Other external costs

Other external expenses comprise costs incurred during the period as a result of the rental of the Company's properties and administration.

Financial income and expenses

Financial expenses comprise interest expenses and exchange rate adjustments.

Tax on loss 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.

Balance Sheet

Investment property

Investment property comprises investment in land and buildings for the purpose of achieving a return on the invested capital in the form of regular operating income and a capital gain on resale.

On initial recognition, investment properties are measured at cost, which comprises the cost of the property and any directly related expenses.

Investment properties are subsequently measured at their value. The fair value of the properties is reassessed annually based on the return-based valuation model.

The fair value is determined based on the net return on commercial properties located in the same geographical area as the properties. Net return is calculated taking into consideration the existing leases, the state of repair of the properties and the budget for the next year.

Net return is calculated as total rental income less direct costs for property taxes, insurance, maintenance and housing management incurred on the investment properties divided by the carrying amounts of the investment properties less deposits.

Change in fair value are recognised in the income statement under 'Value adjustment of investment properties'.

As the investment properties are measured at fair value, they are not depreciated.

Receivables

Receivables are measured at amortised cost.

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

Accounting Policies

Cash and cash equivalents

Cash and cash equivalents comprise cash in bank.

Liabilities

Payable to credit institutes are recognised at cost at the date of borrowing equivalent to proceeds received less transaction costs paid.

Subsequently, these financial liabilities are measured at amortised cost.

Other liabilities are measured at net realisable value.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Income Statement

	Note	2020 DKK'000	2019 DKK'000
Gross profit		2.503	2.231
Gains/losses from current value adjustments of investment assets		26.194	-21.368
Profit from ordinary operating activities		28.697	-19.137
Financial expences	1	-5.709	-6.323
Profit/loss from ordinary activities before tax		22.988	-25.460
Tax expense on ordinary activities	2	2.184	-1.639
Profit/loss		25.172	-27.099
Proposed distribution of results			
Retained earnings		25.172	-27.099
Distribution of profit		25.172	-27.099

Balance Sheet as of 31 December

	Note	2020 DKK'000	2019 DKK'000
Assets			
Investment property	3	233.500	207.306
Property, plant and equipment		233.500	207.306
Fixed assets			
		233.500	207.306
Short-term trade receivables		0	200
Current deferred tax		2.184	0
Other short-term receivables		86	150
Receivables		2.270	350
Cash and cash equivalents		2.629	6.409
Current assets		4.899	6.759
Assets		238.399	214.065

Balance Sheet as of 31 December

	Note	2020 DKK'000	2019 DKK'000
Liabilities and equity			
Contributed capital		130.794	130.794
Retained earnings		-11.528	-36.700
Equity		119.266	94.094
Mortgage debt		99.237	0
Payables to group enterprises		0	116.025
Deposits, liabilities other than provisions		2.532	2.577
Long-term liabilities other than provisions	4	101.769	118.602
Trade payables		135	799
Shareholder loan		15.746	0
Other payables		1.483	570
Short-term liabilities other than provisions		17.364	1.369
Liabilities other than provisions within the business		119.133	119.971
Liabilities and equity		238.399	214.065
Contingent liabilities	5		
Collaterals and assets pledges as security	6		

Statement of changes in Equity

	Contributed capital	Retained earnings	Total
Equity 1 January 2020	130.794	-36.700	94.094
Profit (loss)	<u>0</u>	<u>25.172</u>	<u>25.172</u>
Equity 31 December 2020	<u>130.794</u>	<u>-11.528</u>	<u>119.266</u>

Notes

1. Financial expenses

	2020	2019
	DKK'000	DKK'000
Interest expense to shareholder	0	6.300
Interest, parent company	256	0
Interest, associates	4.200	0
Other financial costs	1.253	23
	5.709	6.323

2. Tax expense

Change in deferred tax	-2.184	1.639
	-2.184	1.639

3. Investment property

Cost at the beginning of the year	242.849	242.849
Cost at the end of the year	242.849	242.849
Fair value adjustments at the beginning of the year	-35.543	-14.175
Adjustments for the year	26.194	-21.368
Fair value adjustments at the end of the year	-9.349	-35.543
Carrying amount at the end of the year	233.500	207.306

The company's investment properties consist of one commercial property of 5.818 m² located in Copenhagen. The investment property is in accordance with the description of the accounting policies, measured at fair value using the return-based model.

The return-based model calculates the value on the basis of the property's expected net operating profit in a typical stabilized operating year.

The value of the investment property is determined at fair value on the basis of the return-based model, received from external valuer.

Management has appointed an external valuer to determine the fair value of the investment property at 31 December 2020. The valuation report prepared by external valuer assumes an exit yield of 3.70% and re-let of vacant retail unit within a 12 months period.

A return requirement of 3.70% (4.00% in 2019) has been used in the valuation. A change of +/- 0.25 percentage points in the required rate of return means approx. -16.2 / + 18.5 million DKK in changed market value.

Notes**4. Long-term liabilities**

	Due after 1 year DKK'000	Due within 1 year DKK'000	Due after 5 years DKK'000
Debt to credit institutions	99.237	0	0
Deposits	2.532	0	2.577
	104.301	0	2.577

5. Contingent liabilities

The Company is jointly taxed with the other enterprises in the group and are jointly and severally liable for the taxes that concern the joint taxation.

The total amount appears from the annual report of Areim Denmark Holding 1 ApS which is the administration company in the joint taxation.

6. Charges and security

Mortgage deeds registered to the mortgage debt of TDKK 99.237 providing security on investment properties at a total carrying amount of TDKK 73.000 of which the investment property constitutes TDKK 233.500.