

# United Denmark 2020 Propco K/S

c/o Harbour House  
Sundkrogsgade 21  
2100 København Ø  
Denmark

CVR no. 37 15 48 73

## Annual report 2021

The annual report was presented and approved at  
the Company's annual general meeting on

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Katrine Kofoed Hansen  
Chairman of the annual general meeting

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*Katrine Kofoed Hansen*

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**United Denmark 2020 Propco K/S**  
Annual report 2021  
CVR no. 37 15 48 73

## Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of United Denmark 2020 Propco K/S for the financial year 1 January – 31 December 2021.

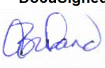
The annual report has been prepared in accordance with the Danish Financial Statements Act.

In my opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

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

I recommend that the annual report be approved at the annual general meeting.

Copenhagen,  
On behalf of United Denmark 2020 GP ApS:

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Allison Breland

## Independent auditor's report

### To the shareholder of United Denmark 2020 Propco K/S

#### Opinion

We have audited the financial statements of United Denmark 2020 Propco K/S for the financial year 1 January – 31 December 2021 comprising 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 Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021 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 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 that 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made on the basis of these 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

- identify and assess the risks of material misstatement of the company 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.

## Independent auditor's report

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

Aarhus,  
**Deloitte**  
Statsautoriseret Revisionspartnerselskab  
CVR no. 33 96 35 56

Chris Middelhede  
State Authorised  
Public Accountant  
mne45823

Lars Andersen  
State Authorised  
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**United Denmark 2020 Propco K/S**  
Annual report 2021  
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## **Management's review**

### **Company details**

United Denmark 2020 Propco K/S  
c/o Harbour House  
Sundkrogsgade 21  
2100 København Ø  
Denmark

CVR no.:	37 15 48 73
Established:	14 October 2015
Registered office:	Copenhagen
Financial year:	1 January – 31 December

### **On behalf of United Denmark 2020 GP ApS**

Allison Breland

### **Auditor**

Deloitte  
Statsautoriseret Revisionspartnerselskab  
Værkmestergade 2, 18.  
DK-8000 Aarhus C  
CVR no. 33 96 35 56

## **Management's review**

### **Operating review**

#### **Principal activities**

The Company's main activity is to hold, develop manage, and sale properties and business related to the same.

#### **Uncertainty regarding recognition and measurement**

Investments are valued at their fair values, according to the description in Accounting polices. The valuation includes accounting estimates and such valuation is therefor subject to uncertainty.

Apart from this recognition and measurement of items in the annual report is not associated with any uncertainty.

#### **Development in activities and financial position**

The Company's income statement for 2021 shows a loss of DKK -42,597 thousand as against DKK 89,463 thousand in 2020. Equity in the Company's balance sheet at 31 December 2021 stood at DKK 40,100 thousand as against DKK 176,197 thousand at 31 December 2020.

#### **Events after the balance sheet date**

No events have occurred after the balance sheet date that materialy affect the Company's financial position.

## Financial statements 1 January – 31 December

### Income statement

DKK'000	Note	2021	2020
<b>Gross profit</b>		11,022	12,528
Fair value adjustment of investment properties		-49,368	81,000
Other financial income		708	0
Other financial expenses	3	-4,959	-4,065
<b>Profit/loss before tax</b>		-42,597	89,463
Tax on profit/loss for the year		0	0
<b>Profit/loss for the year</b>		-42,597	89,463
<b>Proposed profit appropriation/distribution of loss</b>			
Extraordinary dividends distributed in the financial year.		93,500	0
Retained earnings		-136,097	89,463
		-42,597	89,463



## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	31/12 2021	31/12 2020
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Property, plant and equipment</b>	4		
Investment properties		<u>224,660</u>	<u>274,000</u>
<b>Total fixed assets</b>		<u>224,660</u>	<u>274,000</u>
<b>Current assets</b>			
<b>Receivables</b>			
Trade receivables		495	1,507
Receivables from group entities		5,112	0
Other receivables		7	79
Prepayments		<u>685</u>	<u>156</u>
		<u>6,299</u>	<u>1,742</u>
<b>Cash at bank and in hand</b>		<u>8,056</u>	<u>9,446</u>
<b>Total current assets</b>		<u>14,355</u>	<u>11,188</u>
<b>TOTAL ASSETS</b>		<u><u>239,015</u></u>	<u><u>285,188</u></u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	31/12 2021	31/12 2020
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital		6,913	6,913
Retained earnings		33,187	169,284
<b>Total equity</b>		<u>40,100</u>	<u>176,197</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
	5		
Debt to credit institutions		150,103	0
Payables to group entities		30,655	0
Deposits		1,344	0
		<u>182,102</u>	<u>0</u>
<b>Current liabilities</b>			
Banks, current liabilities		0	3
Prepayments received from customers		1,479	601
Trade payables		421	320
Payables to group entities		9,198	98,380
Other payables		2,047	6,423
Deferred income		131	0
Deposits		3,537	3,264
		<u>16,813</u>	<u>108,991</u>
<b>Total liabilities</b>		<u>198,915</u>	<u>108,991</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>239,015</u>	<u>285,188</u>
<b>Average number of full-time employees</b>	2		
<b>Mortgages and collateral</b>	6		

## Financial statements 1 January – 31 December

### Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Extraordinary dividends	Total
Equity at 1 January 2021	6,913	169,284	0	176,197
Transferred over the distribution of loss	0	-136,097	93,500	-42,597
Extraordinary dividends paid	0	0	-93,500	-93,500
<b>Equity at 31 December 2021</b>	<b>6,913</b>	<b>33,187</b>	<b>0</b>	<b>40,100</b>

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of United Denmark 2020 Propco K/S for 2021 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

### Income statement

#### Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Gross profit reflects an aggregation of revenue, other operating income and other external costs.

#### Revenue

Rental income is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Rental income is net of all types of discounts granted.

#### Other operating income

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

#### Other external costs

Other external costs include costs related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

#### Fair value adjustment of investment properties

Fair value adjustment of investment properties comprise the year's changes in the fair value of investment properties.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities

##### Tax on profit/loss for the year

The Company is not independently liable to tax and consequently tax has not been recognized.

### 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 recognized 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.

The fair value is calculated using the capitalization model as the calculated capital value of the expected cash flows from the individual properties.

The determination of the expected cash flows is based on the budgeted cash flows of the individual property for the coming years, including rental and price increases, as well as a calculated term value that expresses the value of the normalized cash flows that the property is expected to generate after the budget period. The cash flows thus calculated are discounted at present value using a discount factor which is judged to reflect the market's current rate of return for corresponding properties including expected inflation.

#### Impairment of fixed assets

The carrying amount of investment properties is subject to an annual test for indications of impairment.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### 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.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast 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 comprise prepayment of costs incurred relating to subsequent financial years.

##### Cash at bank and in hand

Cash at bank and in hand comprise cash and bank deposits.

##### Equity

###### *Dividends*

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

##### Liabilities

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.

##### Deferred income

Deferred income comprises advance invoicing regarding income in subsequent years.

##### Corporation tax and deferred tax

The Company is not independently liable to tax and consequently tax has not been recognized.

## Financial statements 1 January – 31 December

### Notes

DKK'000	<u>2021</u>	<u>2020</u>
<b>2 Average number of full-time employees</b>		
Average number of full-time employees	0	0
	<u>0</u>	<u>0</u>
<b>3 Other financial expenses</b>		
Interest expense to group entities	1,724	1,857
Other financial costs	3,235	2,208
	<u>4,959</u>	<u>4,065</u>
	<u>4,959</u>	<u>4,065</u>
<b>4 Property, plant and equipment</b>		
		<u>Investment properties</u>
DKK'000		
Cost at 1 January 2021		146,304
Additions for the year		28
Cost at 31 December 2021		<u>146,332</u>
Revaluations at 1 January 2021		127,696
Revaluations for the year		<u>-49,368</u>
Revaluations at 31 December 2021		78,328
<b>Carrying amount at 31 December 2021</b>		<u>224,660</u>

#### Valuation method and techniques

The fair value of investment properties is determined using the traditional investment/income capitalisation method of valuation. The investment method of valuation involves the capitalisation of the net income stream from the property at a net yield. All calculations have been performed by an external independent valuer.

In establishing the gross income stream the valuer has reflected current rents payable to lease expiry (or break if activated) at which point they have assumed that each unit will be re-let at their opinion of market rent. Where units are vacant a void period has been assumed prior to assuming that the unit will be let at a market rent opinionated by the valuer.

In order to arrive at a net income stream certain items of non-recoverable expenditure are deducted from the gross rental income, such as non-recoverable management fees, a maintenance and repair sinking fund, and any non-recoverable service charges.

The net yield applied to capitalise the income stream is derived from analysis of market evidence of investment transactions. Purchaser's costs are deducted from the resultant capital value to arrive at a net market value. Any items of capital expenditure are also deducted.

Future indexation of rents has been allowed for implicitly in the valuation.

The Net Initial Yield is 5.84%. A change of +/- 0.25 percentage points in the Net Initial Yield mean approx. - 9.222 / + 10.047 t. kr. Changed market value.

## Financial statements 1 January – 31 December

### Notes

#### 4 Property, plant and equipment (continued)

##### Properties

The companies investment properties is a light industrial property located in Køge, Denmark. As of 31 December 2020 the property is occupied in 91% with a vacant area of 2,575 sqm out of total 29,754 sqm.

Pursuant to current level of vacancy and relatively short WAULTS in Denmark, there is uncertainty of when particular units will be let and at what level of income.

#### 5 Non-current liabilities

DKK'000

	<u>Total debt at 31/12 2021</u>	<u>Repayment, first year</u>	<u>Outstanding debt after five years</u>
Debt to credit institutions	150,103	0	0
Payables to group entities	30,655	0	0
Deposits	1,344	0	0
	<u>182,102</u>	<u>0</u>	<u>0</u>

#### 6 Mortgages and collateral

As security for the Company's debt, the Company has pledged assets with carrying amount of DKK 224,660 thousand.