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# *Oxygen PropCo P/S*

C/O Fokus Asset Management A/S, Østbanegade 123, DK-2100 København

## Annual Report for 2022

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CVR No. 38 51 51 79

The Annual Report was  
presented and adopted  
at the Annual General  
Meeting of the limited  
company  
on 31/5 2023

Niels Bruun de  
Neergaard  
Chair of the general  
meeting



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# Management's statement

The Executive Board and Board of Directors have today considered and adopted the Financial Statements of Oxygen PropCo P/S for the financial year 1 January - 31 December 2022.

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 at 31 December 2022 of the limited Company's and of the results of the limited Company's operations for 2022.

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

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Copenhagen, 31 May 2023

## Executive Board

Martin Schmidt  
Director

## Board of Directors

Michael Abramo  
Chair

Reine Lars Olof Blanke

Martin Schmidt

# Independent Auditor's report

To partners of Oxygen PropCo P/S

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Command company at 31 December 2022 and of the results of the Limited company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Oxygen PropCo P/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

## 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 Command 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.

## 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.

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, in our view, 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 in Management's Review.

## 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 Limited 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 Command 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 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.

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 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 Limited 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 Limited 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 Command 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.

Hellerup, 31 May 2023

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Maj-Britt Nørskov Nannestad  
State Authorised Public Accountant  
mne32198

Jacob Dannefer  
State Authorised Public Accountant  
mne47886

## Company information

<b>The Company</b>	Oxygen PropCo P/S C/O Fokus Asset Management A/S Østbanegade 123 DK-2100 København  CVR No: 38 51 51 79 Financial period: 1 January - 31 December Incorporated: 15 March 2017 Financial year: 6th financial year Municipality of reg. office: Copenhagen
<b>Board of Directors</b>	Michael Abramo, chair Reine Lars Olof Blanke Martin Schmidt
<b>Executive board</b>	Martin Schmidt
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup

# Management's review

## Key activities

The purpose of the company is to conduct commercial real estate business, including acquiring, owning and developing real estate and other related business.

## Development in the year

The income statement of the Company for 2022 shows a profit of TDKK 19,495, and at 31 December 2022 the balance sheet of the Company shows positive equity of TDKK 162,404.

## Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

## Income statement 1 January - 31 December

	Note	2022 TDKK	2021 TDKK
Revenue		32,967	31,982
Value adjustments of assets held for investment		6,531	-27,379
Other external expenses		-1,066	-1,900
<b>Gross profit</b>		<b>38,432</b>	<b>2,703</b>
Financial income		24	0
Financial expenses	1	-18,961	-18,968
<b>Net profit/loss for the year</b>		<b>19,495</b>	<b>-16,265</b>

## Distribution of profit

	2022 TDKK	2021 TDKK
<b>Proposed distribution of profit</b>		
Proposed dividend for the year	15,000	14,000
Retained earnings	4,495	-30,265
	<b>19,495</b>	<b>-16,265</b>



## Balance sheet 31 December

### Assets

	Note	2022 TDKK	2021 TDKK
Investment properties		806,700	800,006
Property, plant and equipment	2	806,700	800,006
<b>Fixed assets</b>		<b>806,700</b>	<b>800,006</b>
Receivables from group enterprises		6,666	4,621
Receivables		6,666	4,621
Cash at bank and in hand		21,127	10,305
<b>Current assets</b>		<b>27,793</b>	<b>14,926</b>
<b>Assets</b>		<b>834,493</b>	<b>814,932</b>

## Balance sheet 31 December

### Liabilities and equity

	Note	2022 TDKK	2021 TDKK
Share capital		500	500
Retained earnings		146,904	142,409
Proposed dividend for the year		15,000	14,000
<b>Equity</b>		<b>162,404</b>	<b>156,909</b>
Mortgage loans		405,934	404,580
Payables to group enterprises		246,000	246,000
<b>Long-term debt</b>	<b>3</b>	<b>651,934</b>	<b>650,580</b>
Trade payables		603	632
Payables to group enterprises		4,933	4,933
Other payables		14,619	1,878
<b>Short-term debt</b>		<b>20,155</b>	<b>7,443</b>
<b>Debt</b>		<b>672,089</b>	<b>658,023</b>
<b>Liabilities and equity</b>		<b>834,493</b>	<b>814,932</b>
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## Statement of changes in equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	500	142,409	14,000	156,909
Ordinary dividend paid	0	0	-14,000	-14,000
Net profit/loss for the year	0	4,495	15,000	19,495
<b>Equity at 31 December</b>	<b>500</b>	<b>146,904</b>	<b>15,000</b>	<b>162,404</b>

# Notes to the Financial Statements

	2022	2021
	TDKK	TDKK
<b>1. Financial expenses</b>		
Interest paid to group enterprises	14,760	14,760
Other financial expenses	4,201	4,208
	<b>18,961</b>	<b>18,968</b>

## 2. Assets measured at fair value

	Investment properties
	TDKK
Cost at 1 January	342,670
Additions for the year	163
Cost at 31 December	342,833
Value adjustments at 1 January	457,336
Revaluations for the year	6,531
Value adjustments at 31 December	463,867
<b>Carrying amount at 31 December</b>	<b>806,700</b>

### Assumptions underlying the determination of fair value of investment properties

The investment property is located in the area of Copenhagen. The principles and methods for determining the estimated fair value of the properties in this category is based on the capitalisation method. The determination of fair values in accordance to the capitalisation method is generally the most accepted and widely used model for valuating property.

The method is based on a stabilised net rent, capitalised at a rate of return assuming a stabilised property in a stable market, which is fully let at an annual market rent at, or close to, market level. For non-stabilised properties, special conditions such as vacancy and refurbishment costs are taken into consideration.

The fixed return requirement is an essential input in estimating fair values. An individually determined rate of return of 3.7% has been applied in the market value assessment at 31 December 2022.

	2022	2021
The fair value of investment properties amounts to	806,700,000	800,006,000
Value adjustment, income statement	6,531,000	-27,379,000

# Notes to the Financial Statements

## Sensitivity in determination of fair value of investment properties

At market value at 31 December 2022, a discount rate set in the range of 3.7% has been used.

Changes in estimated required rate of return for investment properties will affect the value of investment properties recognised in the balance sheet as well as value adjustments carried in the income statement.

Changes in	-0.5%	Base	0.5%
	TDKK	TDKK	TDKK
Rate of return	3.2	3.7	4.2
Fair value	932,746,875	806,700,000	710,664,285
Change in fair value	126,046,875	0	-96,035,715

## 3. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2022	2021
	TDKK	TDKK
<b>Mortgage loans</b>		
After 5 years	405,934	404,580
Long-term part	405,934	404,580
Within 1 year	0	0
	<b>405,934</b>	<b>404,580</b>
<b>Payables to group enterprises</b>		
After 5 years	246,000	246,000
Long-term part	246,000	246,000
Within 1 year	0	0
Other short-term debt to group enterprises	4,933	4,933
Short-term part	4,933	4,933
	<b>250,933</b>	<b>250,933</b>

## Notes to the Financial Statements

	<u>2022</u>	<u>2021</u>
	<u>TDKK</u>	<u>TDKK</u>
<b>4. Contingent assets, liabilities and other financial obligations</b>		
<b>Charges and security</b>		
The following assets have been placed as security with mortgage credit institutes:		
Investment property	806,700	800,006

## 5. Related parties

### Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

# Notes to the Financial Statements

## 6. Accounting policies

The Annual Report of Oxygen PropCo P/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2022 are presented in TDKK.

There has been minor reclassification in the comparative figures. Reclassification has no effect on the Profit/loss for the year or the Equity.

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. 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 flow 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 will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

### Income statement

#### Net sales

Rental income includes the year's income from letting properties and other income in connection with this.

#### Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

#### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

### Balance sheet

#### Investment properties

Investment properties constitute land and buildings held to earn a return on the invested capital by way of current operating income and/or capital appreciation on sale.

On acquisition investment properties are measured at cost comprising the acquisition price and costs of acquisition. The cost of own constructed assets comprises the acquisition price and expenses directly related to the acquisition, including costs of acquisition and indirect expenses for labour, materials, components and suppliers up until the time when the asset is ready for use.

After the initial recognition investment properties are measured at fair value. Value adjustments of investment properties are recognised in the income statement.

# Notes to the Financial Statements

In Management's opinion the classification of the properties as investment properties did not cause any difficulties.

Fair value is the amount for which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction on the balance sheet date. The determination of fair value involves material accounting estimates.

The fair value of investment properties has been assessed by the independent assessor firm Dr. Leopoldsberger + Partners at 31 December 2022.

The estimates applied are based on historical information and assumptions considered reasonable by Management but which are inherently uncertain and unpredictable. Actual events or circumstances will probably differ from the assumptions made in the calculations as often assumed events do not occur as expected. Such difference may be material. The assumptions applied are disclosed in the notes.

## ***Return-based valuation model***

The fair value of investment properties has been determined at 31 December 2022 for each property by using a return-based model under which the expected future cash flows for the coming year combined with a rate of return form the basis of the fair value of the property. The calculations are based on property budgets for the coming years. The budget takes into account developments in rentals, vacancies, operating expenses, maintenance and administration, etc. The budgeted cash flow is divided by the estimated rate of return to arrive at the fair value of the property.

The value thus calculated is adjusted for any non-operating assets such as cash and cash equivalents, deposits, etc if they are not shown separately in the balance sheet.

## **Impairment of fixed assets**

The carrying amounts of assets measured at fair value are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation.

If so, the asset is written down to its lower recoverable amount.

## **Receivables**

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

## **Equity**

### **Dividend**

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

## **Financial debts**

Loans, such as mortgage loans, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.