
Oxygen PropCo P/S

c/o Fokus Nordic A/S, Østbanegade 123, DK-2100 København

Annual Report for 2023

CVR No. 38 51 51 79

The Annual Report was
presented and adopted
at the Annual General
Meeting of the limited
company
on 13/6 2024

Niels Bruun de
Neergaard
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Oxygen PropCo P/S for the financial year 1 January - 31 December 2023.

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 2023 of the command Company and of the results of the command Company operations for 2023.

In our opinion, 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.

Copenhagen, 13 June 2024

Executive Board

Martin Schmidt
Director

Board of Directors

Michael Abramo
Chairman

Reine Lars Olof Blanke

Martin Schmidt

Johan Erik Bråkenhielm

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 2023 and of the results of the Limited company's operations for the financial year 1 January - 31 December 2023 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 2023, 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, 13 June 2024

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

The Company	Oxygen PropCo P/S c/o Fokus Nordic A/S Østbanegade 123 2100 København CVR No: 38 51 51 79 Financial period: 1 January - 31 December Incorporated: 15 March 2017 Financial year: 7th financial year Municipality of reg. office: Copenhagen
Board of Directors	Michael Abramo, chairman Reine Lars Olof Blanke Martin Schmidt Johan Erik Bråkenhielm
Executive Board	Martin Schmidt
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-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 command Company for 2023 shows a loss of TDKK 23,239, and at 31 December 2023 the balance sheet of the command Company shows a positive equity of TDKK 124,165.

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	2023	2022
		TDKK	TDKK
Gross profit before value adjustments		34,221	31,901
Value adjustments of assets held for investment		-39,000	6,531
Gross profit after value adjustments		-4,779	38,432
Financial income		512	24
Financial expenses	2	-18,972	-18,961
Net profit/loss for the year		-23,239	19,495
 Distribution of profit			
		2023	2022
		TDKK	TDKK
Proposed distribution of profit			
Proposed dividend for the year		16,000	15,000
Retained earnings		-39,239	4,495
		-23,239	19,495

Balance sheet 31 December

Assets

	Note	2023	2022
		TDKK	TDKK
Investment properties		767,700	806,700
Property, plant and equipment	3	767,700	806,700
Fixed assets		767,700	806,700
Receivables from group enterprises		8,666	6,666
Receivables		8,666	6,666
Cash at bank and in hand		10,252	21,127
Current assets		18,918	27,793
Assets		786,618	834,493

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		TDKK	TDKK
Share capital		500	500
Retained earnings		107,665	146,904
Proposed dividend for the year		16,000	15,000
Equity		124,165	162,404
Mortgage loans		407,288	405,934
Payables to group enterprises		246,000	246,000
Long-term debt	4	653,288	651,934
Trade payables		1,484	603
Payables to group enterprises	4	4,933	4,933
Other payables		2,748	14,619
Short-term debt		9,165	20,155
Debt		662,453	672,089
Liabilities and equity		786,618	834,493
Staff	1		
Contingent assets, liabilities and other financial obligations	5		
Related parties	6		
Accounting Policies	7		

Statement of changes in equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	500	146,904	15,000	162,404
Ordinary dividend paid	0	0	-15,000	-15,000
Net profit/loss for the year	0	-39,239	16,000	-23,239
Equity at 31 December	500	107,665	16,000	124,165

Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
1. Staff		
Average number of employees	<u>0</u>	<u>0</u>
	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
2. Financial expenses		
Interest paid to group enterprises	14,760	14,760
Other financial expenses	<u>4,212</u>	<u>4,201</u>
	<u>18,972</u>	<u>18,961</u>
3. Assets measured at fair value		
		<u>Investment properties</u>
		TDKK
Cost at 1 January		<u>342,833</u>
Cost at 31 December		<u>342,833</u>
Value adjustments at 1 January		463,867
Revaluations for the year		<u>-39,000</u>
Value adjustments at 31 December		<u>424,867</u>
Carrying amount at 31 December		<u>767,700</u>

Assumptions underlying the determination of fair value of investment properties

The Company's investment property is 100% commercial, and is located in the area of Copenhagen.

The investment property is measured at fair value. The fair value is determined on the basis of a DCF-model.

Notes to the Financial Statements

	<u>2023</u>
	TDKK
The fair value of investment properties amounts to	767,700
Value adjustment, income statement	-39,000
Budget period	10 years
Increase in market rent	2%
Change in operating expenses	2%
Maintenance costs in DKK per m2	35
Discount rate	4,32%

Sensitivity in determination of fair value of investment properties

At market value at 31 December 2023, a discount rate set in the range of 4,07% - 4,57% 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	<u>-0.25%</u>	<u>Base</u>	<u>0.25%</u>
	TDKK	TDKK	TDKK
Rate of return	4.07	4,32	4.57
Fair value	814,856	767,700	725,703
Change in fair value	47,156	0	-41,997

<u>2023</u>	<u>2022</u>
TDKK	TDKK

4. 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:

Mortgage loans		
After 5 years	0	405,934
Between 1 and 5 years	407,288	0
Long-term part	<u>407,288</u>	<u>405,934</u>
Within 1 year	0	0
	<u>407,288</u>	<u>405,934</u>

Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
4. Long-term debt		
Payables to group enterprises		
After 5 years	246,000	246,000
Long-term part	246,000	246,000
Other short-term debt to group enterprises	4,933	4,933
	<u>250,933</u>	<u>250,933</u>

	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
5. Contingent assets, liabilities and other financial obligations		
Charges and security		
The following assets have been placed as security with mortgage credit institutes:		
Investment property	767,700	806,700

6. 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

7. Accounting policies

The Annual Report of Oxygen PropCo P/S for 2023 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 2023 are presented in TDKK.

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 Command 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 Command 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

Revenue

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.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue and other external expenses.

Financial income and expenses

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

Balance sheet

Property, plant and equipment

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.

Notes to the Financial Statements

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

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 estimates applied are based on 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.

Discounted Cash Flow model

The fair value of investment properties has been determined at 31 December 2023 for each property by using a Discounted Cash Flow model under which expected future cash flows are discounted to present value. The calculations are based on property budgets for the coming years. Allowance has been made for developments in rentals, vacancies, operating expenses, maintenance and administration, etc. The individual, budgeted cash flows are discounted at an individually fixed discount rate added a terminal value. 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.

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 liabilities

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.