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# Risskov Brynet V K/S

c/o Taurus Ejendomsadministration  
Skovvejen 11, st., 8000 Aarhus C

CVR no. 38 88 12 21

## Annual report 2019

Approved at the Company's annual general meeting on 24 April 2020

Chairman:

.....  
Peter Gill



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## Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of Risskov Brynet V K/S for the financial year 1 January - 31 December 2019.

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 of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019.

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

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

Aarhus, 24 April 2020  
Executive Board:

.....  
Peter Gill

.....  
Juha Matti Salokoski

.....  
Torsten Bjerregaard



## Independent auditor's report

To the shareholders of Risskov Brynet V K/S

### Opinion

We have audited the financial statements of Risskov Brynet V K/S for the financial year 1 January - 31 December 2019, which comprise 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 financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

### 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 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 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 the 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.



## 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 note 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 Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 24 April 2020  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

Henrik Reedtz  
State Authorised Public Accountant  
mne24830

Kaare K. Lendorf  
State Authorised Public Accountant  
mne33819



## Management's review

### Company details

Name	Risskov Brynet V K/S
Address, Postal code, City	c/o Taurus Ejendomsadministration Skovvejen 11, st., 8000 Aarhus C
CVR no.	38 88 12 21
Established	17 August 2017
Registered office	Aarhus
Financial year	1 January - 31 December
Executive Board	Peter Gill Juha Matti Salokoski Torsten Bjerregaard
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark



## Management's review

### Business review

The purpose of the company is to acquire and operate real estate. The company may provide guarantees, raise loans, grant loans or otherwise directly or indirectly assist with the financing of the group. The Company may, at its own expense or on behalf of a third party, carry on any business useful or necessary to fulfill its purposes or purposes which are directly or indirectly related to its own or a third party's purpose

### Recognition and measurement uncertainties

As the company is engaged in development of investment properties, the Company is affected by changes in the property market, including the general level of interest rates and economic conditions. For a description of significant assumptions for the fair value recognition as 31 December 2019 please refer to note 3 and 4.

### Financial review

The income statement for 2019 shows a profit of DKK 26,995,820 against a loss of DKK 37,356 last year, and the balance sheet at 31 December 2019 shows equity of DKK 49,760,217.

### Events after the balance sheet date

In the beginning of 2020 the coronavirus outbreak (COVID-19) has had significant impact on the world economic. The COVID-19 outbreak can potentially impact future cash-flows and property valuations for real estate companies. The company's realised the operations as planned in Q1 2020.

The lessee in the company's investment property could also be impacted of the COVID-19 outbreak. However, it is expected that the lessee will continue to pay rent in accordance with the lease agreements.

No other events have occurred after the balance sheet date that materially affect the company's financial position.





## Financial statements 1 January - 31 December

### Income statement

Note	DKK	2019	2018
	Revenue	3,765,761	0
	Other operating income	500,000	0
	Expenses, property	-1,234,991	0
	Other external expenses	-612,891	-18,776
	Gross profit	2,417,879	-18,776
	Fair value adjustment of investment property	39,157,090	0
	Profit/loss before net financials	41,574,969	-18,776
	Share of profit/loss from group enterprises	-12,111,945	0
	Other financial income from group enterprises	371,163	0
2	Financial expenses	-2,838,367	-18,580
	Profit/loss for the year	26,995,820	-37,356
	Recommended appropriation of profit/loss	26,995,820	-37,356
	Retained earnings/accumulated loss	26,995,820	-37,356



## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	2019	2018
	ASSETS		
	Fixed assets		
3	Property, plant and equipment		
4	Investment property	186,500,000	0
	Property, plant and equipment under construction	0	129,994,661
		<u>186,500,000</u>	<u>129,994,661</u>
5	Investments		
	Investments in group enterprises	0	65,371
	Receivables from group enterprises	7,121,749	0
		<u>7,121,749</u>	<u>65,371</u>
	Total fixed assets	<u>193,621,749</u>	<u>130,060,032</u>
	Non-fixed assets		
	Receivables		
	Receivables from group enterprises	459,744	0
	Other receivables	1,739,659	0
	Prepayments	22,750	0
		<u>2,222,153</u>	<u>0</u>
	Cash	8,107,975	226
	Total non-fixed assets	<u>10,330,128</u>	<u>226</u>
	TOTAL ASSETS	<u>203,951,877</u>	<u>130,060,258</u>



## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	2019	2018
	<b>EQUITY AND LIABILITIES</b>		
	Equity		
	Share capital	1,001,000	1,000,000
	Retained earnings	48,759,217	-113,316
	<b>Total equity</b>	<b>49,760,217</b>	<b>886,684</b>
	Liabilities other than provisions		
6	Non-current liabilities other than provisions		
	Mortgage debt	115,650,519	0
	Payables to group entities	31,671,274	0
	Deposits	4,317,160	0
		<b>151,638,953</b>	<b>0</b>
	Current liabilities other than provisions		
6	Short-term part of long-term liabilities other than provisions	696,783	0
	Credit institutions	0	124,936,680
	Trade payables	0	2,587,861
	Payables to group enterprises	627,986	1,044,030
	Other payables	595,612	605,003
	Deferred income	632,326	0
		<b>2,552,707</b>	<b>129,173,574</b>
	<b>Total liabilities other than provisions</b>	<b>154,191,660</b>	<b>129,173,574</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>203,951,877</b>	<b>130,060,258</b>

- 1 Accounting policies
- 7 Collateral
- 8 Related parties



Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2019	1,000,000	-113,316	886,684
Capital increase	1,000	21,876,713	21,877,713
Transfer through appropriation of profit	0	26,995,820	26,995,820
Equity at 31 December 2019	<u>1,001,000</u>	<u>48,759,217</u>	<u>49,760,217</u>



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Risskov Brynet V K/S for 2019 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

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

#### Basis of 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.

Assets are recognized in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of the asset can be reliably measured.

Liabilities are recognized in the balance sheet when it is probable that future economic benefits will be deducted 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 accounting item below.

#### Reporting currency

The financial statements are presented in Danish kroner (DKK).

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate 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 and payables and other monetary items denominated in foreign currencies are translated at the exchange rate 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 most recent financial statements is recognised in the income statement as financial income or financial expenses.

#### Income statement

##### Revenue

Rental income is recognised on a straight line-basis over the term of the lease.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

##### Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets.



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Property expenses

Property expenses include expenses relating to renting out the Company's investment property, including expenses relating to running and maintaining such property.

##### Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

##### Financial expenses

Financial expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

### Balance sheet

#### Investment property

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 recognised 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.

#### Investments in subsidiaries

Investments in subsidiaries and associates are measured at cost, which includes the cost of acquisition calculated at fair value plus direct costs of acquisition. If there is evidence of impairment, an impairment test is conducted. Where the carrying amount exceeds the recoverable amount, a write-down is made to such lower value.

#### Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

#### Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.



## Financial statements 1 January - 31 December

## Notes to the financial statements

## 1 Accounting policies (continued)

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected 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 recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

## Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

## Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

## Subordinate loan capital

Liabilities where the creditors have stated they are willing to subordinate their claim to rank after all the entity's other creditors are presented as subordinate loan capital. Subordinate loan capital is recognised using the same method as applies to liabilities.

## Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.



## Financial statements 1 January - 31 December

### Notes to the financial statements

DKK	2019	2018	
2 Financial expenses			
Interest expense senior loan	1,998,218	0	
Interest expenses, group entities	632,326	0	
Other financial expenses	207,823	18,580	
	<u>2,838,367</u>	<u>18,580</u>	
3 Property, plant and equipment			
	Investment property	Property, plant and equipment under construction	Total
DKK			
Cost at 1 January 2019	0	129,994,661	129,994,661
Additions	0	17,348,249	17,348,249
Transferred	147,342,910	-147,342,910	0
Cost at 31 December 2019	<u>147,342,910</u>	<u>0</u>	<u>147,342,910</u>
Revaluations at 1 January 2019	0	0	0
Value adjustments for the year	39,157,090	0	39,157,090
Revaluations at 31 December 2019	<u>39,157,090</u>	<u>0</u>	<u>39,157,090</u>
Carrying amount at 31 December 2019	<u>186,500,000</u>	<u>0</u>	<u>186,500,000</u>

Note 7 provides more details on security for loans, etc. as regards property, plant and equipment.

#### 4 Investment property

The Company Group invests in rental property. Investment property is recognised at fair value with value adjustment over the income statement, see the provisions in section 38 of the Danish Financial Statements Act.

##### Fair value estimation

Assumptions underlying the determination of fair value of investment properties

The fair value is an estimate made by management based on information available and actual expectations as to the future.

The valuation is performed based on a report from an appraiser.

The investment property is located in the area of Aarhus.

The property is valued at fair value based on DCF model, which is based on forecasts for future cash flows that the individual property is expected to generate, expected CAPEX investments and development in vacancy.

The most significant fair value assumptions are,

- ▶ Budget periode: 12-year periode.
- ▶ Net yield: 3.91%
- ▶ Exit yield: 4.00%
- ▶ Average rent: DKK 1,515 per sqm. per year





## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 5 Investments

DKK	Investments in group enterprises	Receivables from group enterprises	Total
Cost at 1 January 2019	100,000	0	100,000
Additions	0	19,218,323	19,218,323
Disposals	-50,000	0	-50,000
Cost at 31 December 2019	50,000	19,218,323	19,268,323
Value adjustments at 1 January 2019	-34,629	0	-34,629
Impairment losses	-15,371	-12,096,574	-12,111,945
Value adjustments at 31 December 2019	-50,000	-12,096,574	-12,146,574
Carrying amount at 31 December 2019	0	7,121,749	7,121,749

Name	Legal form	Domicile	Interest	Equity DKK	Profit/loss DKK
Subsidiaries					
Risskov Brynet Parkering C	K/S	Aarhus	100.00%	12,096,574	12,111,945

#### 6 Non-current liabilities other than provisions

DKK	Total debt at 31/12 2019	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Mortgage debt	116,347,302	696,783	115,650,519	110,600,000
Payables to group entities	31,671,274	0	31,671,274	31,671,274
Deposits	4,317,160	0	4,317,160	0
	152,335,736	696,783	151,638,953	142,271,274

#### 7 Collateral

Investment property at a carrying amount of DKK 186,500,000 at 31 December 2019 have been put up as security for debt to the credit institutions.

#### 8 Related parties

##### Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
CapMan Nordic Real Estate FCP-RAIF	Luxembourg	1, Rue Hildegard von Bingen, L-1282 Luxembourg

