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# ***Woods Office Holding K/S***

C/O NREP A/S, Southamptongade 4, DK-2150 Nordhavn

## **Annual Report for 2022**

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CVR No. 39 54 81 86

The Annual Report was  
presented and adopted  
at the Annual General  
Meeting of the  
company  
on 7/6 2023

Nicolai Bruhn Sørensen  
Chairman of the  
general meeting



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# Management's statement

The Executive Board has today considered and adopted the Consolidated Financial Statements and Parent Company Financial Statements of Woods Office Holding K/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 and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows 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 Consolidated Financial Statements and Parent Company Financial Statements be adopted at the Annual General Meeting.

## Executive Board

Rune Højby Kock

Toke Sundenæs Clausen

Thomas Ebbe Riise-Jakobsen

# Independent Auditor's report

To the limited partners of Woods Office Holding K/S

## Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2022 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Woods Office Holding K/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, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("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 Group 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 Consolidated Financial Statements and the Parent Company 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 consolidated financial statements and parent company 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 Group's and the Parent 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 Group or the Parent 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 Group's and the Parent 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 Group's and the Parent 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 Group and the Parent 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

# Independent Auditor's report

Holstebro, 7 June 2023

**PricewaterhouseCoopers**  
Statsautoriseret Revisionspartnerselskab  
*CVR No 33 77 12 31*

Poul Spencer Poulsen  
State Authorised Public Accountant  
mne23324

## Company information

<b>The Company</b>	Woods Office Holding K/S C/O NREP A/S Southamptongade 4 DK-2150 Nordhavn  CVR No: 39 54 81 86 Financial period: 1 January - 31 December Incorporated: 7 May 2018 Financial year: 5th financial year Municipality of reg. office: Copenhagen
<b>Executive board</b>	Rune Højby Kock Toke Sundenæs Clausen Thomas Ebbe Riise-Jakobsen
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Hjaltensvej 16 7500 Holstebro
<b>Bankers</b>	Danske Bank Lersø Parkallé 100 2100 København Ø

# Group Chart

<u>Company</u>	<u>Residence</u>	<u>Ownership</u>
<b>Woods Office Holding K/S</b>	<b>København Copenhagen</b>	
Woods Office Sub-Holding Komplementar ApS	København Copenhagen	100
Woods Office Sub-Holding K/S	København Copenhagen	100
Woods Office Ørestad ApS	København Copenhagen	100
Tetrep Woods Sub-Holding Titanhus Komplementar ApS	København Copenhagen	100
Tetrep Woods Sub-Holding Titanhus K/S	København Copenhagen	100
Titanhus ApS	København Copenhagen	100



# Financial Highlights

Seen over a 3-year period, the development of the Group is described by the following financial highlights:

	Group		
	2022	2021	2020
	TDKK	TDKK	TDKK
<b>Key figures</b>			
<b>Profit/loss</b>			
Profit/loss of ordinary primary operations	-8,272	186,509	176,532
Profit/loss before financial income and expenses	-8,272	186,509	176,532
Profit/loss of financial income and expenses	-32,480	-19,372	-17,331
Net profit/loss	-28,613	134,116	129,245
<b>Balance sheet</b>			
Balance sheet total	1,510,135	1,578,504	1,264,104
Investment in property, plant and equipment	127,636	1,211,825	223,315
Equity	631,429	660,041	548,925
<b>Cash flows</b>			
Cash flows from:			
- operating activities	406,208	3,660	-72,029
- investing activities	-127,635	-63,132	-223,315
- financing activities	-333,326	123,033	281,717
Change in cash and cash equivalents for the year	-54,753	63,561	-13,627
<b>Ratios</b>			
Return on assets	-0.5%	11.8%	14.0%
Solvency ratio	41.8%	41.8%	43.4%
Return on equity	-4.4%	22.2%	26.6%

# Management's review

## Key activities

The Company's key activity is to directly or indirectly through ownership of investments, Corporations or other legal entities or Joint Ventures, to engage in investment activity and/or own and operate real estate and other business which according to the Company's discretion is related.

## Development in the year

The income statement of the Group for 2022 shows a loss of TDKK 28,613, and at 31 December 2022 the balance sheet of the Group shows positive equity of TDKK 631,429.

## Targets and expectations for the year ahead

For 2023, an operating result of around DKK 19 million before fair value adjustments is expected.

## Uncertainty relating to recognition and measurement

See Note concerning recognition and measurement of capitalized development costs. In addition, there has been no uncertainty regarding recognition and measurement in the Annual Report.

## Unusual events

The financial position at 31 December 2022 of the Group and the results of the activities and cash flows of the Group for the financial year for 2022 have not been affected by any unusual events.

# Income statement 1 January - 31 December

	Note	Group		Parent company	
		2022	2021	2022	2021
		TDKK	TDKK	TDKK	TDKK
<b>Gross profit before value adjustments</b>		<b>38,079</b>	<b>11,319</b>	<b>-157</b>	<b>810</b>
Value adjustments of assets held for investment		-46,351	175,190	0	0
<b>Gross profit/loss after value adjustments</b>		<b>-8,272</b>	<b>186,509</b>	<b>-157</b>	<b>810</b>
Financial income	2	36	0	47,404	45,668
Financial expenses	3	-32,516	-19,372	-15,785	-16,866
<b>Profit/loss before tax</b>		<b>-40,752</b>	<b>167,137</b>	<b>31,462</b>	<b>29,612</b>
Tax on profit/loss for the year	4	12,139	-33,021	0	0
<b>Net profit/loss for the year</b>	5	<b>-28,613</b>	<b>134,116</b>	<b>31,462</b>	<b>29,612</b>

## Balance sheet 31 December

### Assets

	Note	Group		Parent company	
		2022 TDKK	2021 TDKK	2022 TDKK	2021 TDKK
Investment properties		1,461,008	1,379,724	0	0
<b>Property, plant and equipment</b>	<b>6</b>	<b>1,461,008</b>	<b>1,379,724</b>	<b>0</b>	<b>0</b>
Investments in subsidiaries	7	0	0	180	180
Receivables from group enterprises	8	0	0	556,754	564,899
<b>Fixed asset investments</b>		<b>0</b>	<b>0</b>	<b>556,934</b>	<b>565,079</b>
<b>Fixed assets</b>		<b>1,461,008</b>	<b>1,379,724</b>	<b>556,934</b>	<b>565,079</b>
Trade receivables		16,510	3,234	0	0
Claim for payment of company capital		0	105,678	106,678	105,678
Other receivables		14,166	5,238	0	1,711
Deferred tax asset	10	0	26	0	0
Prepayments	9	152	11,552	0	0
<b>Receivables</b>		<b>30,828</b>	<b>125,728</b>	<b>106,678</b>	<b>107,389</b>
<b>Cash at bank and in hand</b>		<b>18,299</b>	<b>73,052</b>	<b>2,122</b>	<b>64</b>
<b>Current assets</b>		<b>49,127</b>	<b>198,780</b>	<b>108,800</b>	<b>107,453</b>
<b>Assets</b>		<b>1,510,135</b>	<b>1,578,504</b>	<b>665,734</b>	<b>672,532</b>

# Balance sheet 31 December

## Liabilities and equity

	Note	Group		Parent company	
		2022	2021	2022	2021
		TDKK	TDKK	TDKK	TDKK
Share capital		175,000	175,000	175,000	175,000
Reserve for unpaid share capital and share premium		105,678	105,678	105,678	105,678
Retained earnings		350,751	379,363	179,132	147,669
<b>Equity</b>		<b>631,429</b>	<b>660,041</b>	<b>459,810</b>	<b>428,347</b>
Provision for deferred tax	10	63,078	74,888	0	0
<b>Provisions</b>		<b>63,078</b>	<b>74,888</b>	<b>0</b>	<b>0</b>
Mortgage loans		0	247,118	0	0
Credit institutions		372,080	313,432	0	0
Payables to group enterprises		99,282	193,619	156,380	194,619
<b>Long-term debt</b>	11	<b>471,362</b>	<b>754,169</b>	<b>156,380</b>	<b>194,619</b>
Trade payables		17,821	23,871	43	64
Payables to group enterprises		0	49,580	49,500	49,500
Deposits		13,582	14,510	0	0
Other payables		312,863	1,445	1	2
<b>Short-term debt</b>		<b>344,266</b>	<b>89,406</b>	<b>49,544</b>	<b>49,566</b>
<b>Debt</b>		<b>815,628</b>	<b>843,575</b>	<b>205,924</b>	<b>244,185</b>
<b>Liabilities and equity</b>		<b>1,510,135</b>	<b>1,578,504</b>	<b>665,734</b>	<b>672,532</b>

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# Statement of changes in equity

## Group

	Share capital	Reserve for unpaid share capital and share premium	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	175,000	105,678	379,364	660,042
Net profit/loss for the year	0	0	-28,613	-28,613
<b>Equity at 31 December</b>	<b>175,000</b>	<b>105,678</b>	<b>350,751</b>	<b>631,429</b>

## Parent company

	Share capital	Reserve for unpaid share capital and share premium	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	175,000	105,678	147,670	428,348
Net profit/loss for the year	0	0	31,462	31,462
<b>Equity at 31 December</b>	<b>175,000</b>	<b>105,678</b>	<b>179,132</b>	<b>459,810</b>

## Cash flow statement 1 January - 31 December

	Note	Group	
		2022	2021
		TDKK	TDKK
Result of the year		-28,613	134,116
Adjustments	12	66,692	-122,797
Change in working capital	13	399,314	11,691
<b>Cash flow from operations before financial items</b>		<b>437,393</b>	<b>23,010</b>
Financial income		36	0
Financial expenses		-31,576	-19,369
<b>Cash flows from ordinary activities</b>		<b>405,853</b>	<b>3,641</b>
Corporation tax paid		355	19
<b>Cash flows from operating activities</b>		<b>406,208</b>	<b>3,660</b>
Purchase of property, plant and equipment		-127,635	-63,132
<b>Cash flows from investing activities</b>		<b>-127,635</b>	<b>-63,132</b>
Repayment of mortgage loans		-248,057	0
Repayment of loans from credit institutions		58,648	13,527
Repayment of payables to group enterprises		-143,917	0
Raising of mortgage loans		0	101,428
Raising of payables to group enterprises		0	33,078
Dividend paid		0	-25,000
<b>Cash flows from financing activities</b>		<b>-333,326</b>	<b>123,033</b>
<b>Change in cash and cash equivalents</b>		<b>-54,753</b>	<b>63,561</b>
Cash and cash equivalents at 1 January		73,052	9,491
<b>Cash and cash equivalents at 31 December</b>		<b>18,299</b>	<b>73,052</b>
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		18,299	73,052
<b>Cash and cash equivalents at 31 December</b>		<b>18,299</b>	<b>73,052</b>

# Notes to the Financial Statements

## 1. Staff

Average number of employees

Group		Parent company	
2022	2021	2022	2021
0	0	0	0

## 2. Financial income

Interest received from group enterprises

Other financial income

Group		Parent company	
2022	2021	2022	2021
TDKK	TDKK	TDKK	TDKK
-1	0	47,404	45,668
37	0	0	0
<b>36</b>	<b>0</b>	<b>47,404</b>	<b>45,668</b>

## 3. Financial expenses

Interest paid to group enterprises

Other financial expenses

Exchange adjustments, expenses

Group		Parent company	
2022	2021	2022	2021
TDKK	TDKK	TDKK	TDKK
15,760	12,808	15,760	16,828
16,732	6,528	22	38
24	36	3	0
<b>32,516</b>	<b>19,372</b>	<b>15,785</b>	<b>16,866</b>



# Notes to the Financial Statements

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
<b>4. Income tax expense</b>				
Deferred tax for the year	-12,576	33,021	0	0
Adjustment of tax concerning previous years	-354	0	0	0
Adjustment of deferred tax concerning previous years	791	0	0	0
	<b>-12,139</b>	<b>33,021</b>	<b>0</b>	<b>0</b>

	Parent company	
	2022	2021
	TDKK	TDKK
<b>5. Profit allocation</b>		
Extraordinary dividend paid	0	25,000
Retained earnings	31,462	4,612
	<b>31,462</b>	<b>29,612</b>

# Notes to the Financial Statements

## 6. Assets measured at fair value

### Group

	Investment properties
	TDKK
Cost at 1 January	1,004,996
Additions for the year	127,636
Cost at 31 December	1,132,632
Value adjustments at 1 January	374,727
Revaluations for the year	-46,351
Value adjustments at 31 December	328,376
Carrying amount at 31 December	1,461,008

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

Investment properties are measured at fair value. The fair value is calculated by using generally accepted valuation methods (DCF calculations) based on management's expectations for future cash flows, return requirements, etc. The fair value adjustment for the year has been recognised in the Income Statement.

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 fair value of investment properties at 31 December 2022 has been assessed by an independent assessor.

# Notes to the Financial Statements

Parent company	
2022	2021
TDKK	TDKK

## 7. Investments in subsidiaries

Cost at 1 January	180	180
Cost at 31 December	180	180
<b>Carrying amount at 31 December</b>	<b>180</b>	<b>180</b>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership	Equity	Net profit/loss for the year
Woods Office Sub-Holding K/S	København, Copenhagen	50.000	100%	-34,111,448	-13,200,317
Woods Office Sub-Holding Komplementar ApS	København, Copenhagen	50.000	100%	-33,294	-51,013
Tetrep Woods Sub-Holding Titanhus Komplementar ApS	København, Copenhagen	50.000	100%	-36,594	-61,027
Tetrep Woods Sub-Holding Titanhus K/S	København, Copenhagen	1	100%	-1,155,909	-301,817
Woods Office Ørestad ApS	København, Copenhagen	60	100%	290,204,249	-57,486,155
Titanhus ApS	København, Copenhagen	40	100%	116,133,512	12,156,820

## 8. Other fixed asset investments

### Parent company

	Receivables from group enterprises
	TDKK
Cost at 1 January	564,899
Disposals for the year	-8,145
Cost at 31 December	556,754
<b>Carrying amount at 31 December</b>	<b>556,754</b>

# Notes to the Financial Statements

## 9. Prepayments

Periodeafgrænsningsposter udgøres af forudbetalte omkostninger vedrørende husleje, forsikringspræmier, abonnementer og renter.

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
<b>10. Provision for deferred tax</b>				
Deferred tax liabilities at 1 January	74,862	41,841	0	0
Amounts recognised in the income statement for the year	-8,588	33,021	0	0
Amounts recognised in equity for the year	-3,196	0	0	0
<b>Deferred tax liabilities at 31 December</b>	<b>63,078</b>	<b>74,862</b>	<b>0</b>	<b>0</b>
Recognised in the balance sheet as follows:				
Assets	0	26	0	0
Provisions	63,078	74,888	0	0
	<b>63,078</b>	<b>74,862</b>	<b>0</b>	<b>0</b>

# Notes to the Financial Statements

## 11. 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:

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
<b>Mortgage loans</b>				
After 5 years	0	253,800	0	0
Between 1 and 5 years	0	-6,682	0	0
Long-term part	0	247,118	0	0
Within 1 year	0	0	0	0
	<b>0</b>	<b>247,118</b>	<b>0</b>	<b>0</b>
<b>Credit institutions</b>				
After 5 years	0	0	0	0
Between 1 and 5 years	372,080	313,432	0	0
Long-term part	372,080	313,432	0	0
Within 1 year	0	0	0	0
	<b>372,080</b>	<b>313,432</b>	<b>0</b>	<b>0</b>
<b>Payables to group enterprises</b>				
After 5 years	0	0	156,380	0
Between 1 and 5 years	99,282	193,619	0	194,619
Long-term part	99,282	193,619	156,380	194,619
Within 1 year	0	0	0	0
Other short-term debt to group enterprises	0	49,580	49,500	49,500
Short-term part	0	49,580	49,500	49,500
	<b>99,282</b>	<b>243,199</b>	<b>205,880</b>	<b>244,119</b>

# Notes to the Financial Statements

Group	
2022	2021
TDKK	TDKK

## 12. Cash flow statement - Adjustments

Financial income	-36	0
Financial expenses	32,516	19,372
Value adjustments of assets held for investment	46,351	-175,190
Tax on profit/loss for the year	-12,139	33,021
	<b>66,692</b>	<b>-122,797</b>

Group	
2022	2021
TDKK	TDKK

## 13. Cash flow statement - Change in working capital

Change in receivables	94,874	-12,517
Change in trade payables, etc	304,440	24,208
	<b>399,314</b>	<b>11,691</b>

## 14. Contingent assets, liabilities and other financial obligations

### Contingent liabilities

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of NSF III Denmark Advisory ApS, which is the management company of the joint taxation purposes. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

## 15. 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

## 16. Subsequent events

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

# Notes to the Financial Statements

## 17. Accounting policies

The Annual Report of Woods Office Holding K/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2022 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 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.

### Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Woods Office Holding K/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

### Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies. If currency positions are considered to hedge future cash flows, value adjustments are recognized directly in equity.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.



# Notes to the Financial Statements

## Income statement

### Net sales

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

Revenue from rental income is recognised in the income statement at amounts relating to the financial year when revenue can be measured reliably and it is probable that the economic benefits will flow to the Company. Revenue is recognised exclusive of VAT and net of discounts.

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

### Gross profit

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

### Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group.

### Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

### Financial income and expenses

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

### Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Danish group enterprises. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

## 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.

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

# Notes to the Financial Statements

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 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.

## ***Discounted Cash Flow model***

The fair value of investment properties has been determined at 31 December 2022 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.

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.

## **Impairment of fixed assets**

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation. If so, the asset is written down to its lower recoverable amount.

## **Investments in subsidiaries**

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

## **Other fixed asset investments**

Other fixed asset investments consist of receivables from affiliated companies.

## **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.

## **Prepayments**

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

## **Deferred tax assets and liabilities**

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

# Notes to the Financial Statements

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

## Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

## Financial debts

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.

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

## Cash Flow Statement

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

### Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

### Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

### Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

### Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

## Financial Highlights

### Explanation of financial ratios

Return on assets	$\text{Profit before financials} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$