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# ***AIP Euro Nordics BC 1 ApS***

c/o Fokus Asset Management A/S, Bomhusvej 13, 1.  
th., DK-2100 København Ø

## **Annual Report for 3 December 2018 - 31 December 2019**

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CVR No 40 06 84 06

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
17/4 2020

Tonny Nielsen  
Chairman of the General  
Meeting



**pwc**

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## **Management's Statement**

The Executive Board has today considered and adopted the Annual Report of AIP Euro Nordics BC 1 ApS for the financial year 3 December 2018 - 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 at 31 December 2019 of the Company and of the results of the Company operations for 2018/19.

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.

København, 17 April 2020

### **Executive Board**

Kongjoo Kim  
Executive Officer

Ki Yong Kim  
Executive Officer

Tonny Nielsen  
Executive Officer

# Independent Auditor's Report

To the Shareholder of AIP Euro Nordics BC 1 ApS

## Opinion

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 31 December 2018 - 31 December 2019 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of AIP Euro Nordics BC 1 ApS for the financial year 31 December 2018 - 31 December 2019, 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 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 requirements. 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.

# Independent Auditor's Report

## 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 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

## Independent Auditor's Report

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 17 April 2020

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Maj-Britt Nørskov Nannestad

statsautoriseret revisor

mne32198

## **Company Information**

### **The Company**

AIP Euro Nordics BC 1 ApS  
c/o Fokus Asset Management A/S  
Bomhusvej 13, 1. th.  
DK-2100 København Ø

CVR No: 40 06 84 06

Financial period: 3 December - 31 December

Municipality of reg. office: København

### **Executive Board**

Kongjoo Kim  
Ki Yong Kim  
Tonny Nielsen

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

## **Management's Review**

Financial Statements of AIP Euro Nordics BC 1 ApS for 2018/19 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.

### **Key activities**

The company's key activity is to act as a holding company, owning shares in companies who invests in investment properties.

### **Development in the year**

The income statement of the Company for 2018/19 shows a profit of DKK 20,225,264, and at 31 December 2019 the balance sheet of the Company shows equity of DKK 141,155,264.

### **Uncertainty relating to recognition and measurement**

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

### **Unusual events**

The financial position at 31 December 2019 of the Company and the results of the activities of the Company for the financial year for 2018/19 have not been affected by any unusual events.

### **Subsequent events**

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

### *Covid-19*

It is the opinion of the managements that the implications due to COVID-19 is a subsequent event occurred after the balance sheet date of 31 December 2019. We do not believe – and we have knowledge of – that the implications of the COVID-19 will affect the company's ability to continue as a going concern.



## Income Statement 31 December - 31 December

	<u>Note</u>	<u>2018/19</u> DKK
Income from investments in subsidiaries	2	54.887.959
Other external expenses		<u>-85.391</u>
<b>Profit/loss before financial income and expenses</b>		<b>54.802.568</b>
Other financial expenses	3	<u>-25.916.178</u>
<b>Profit/loss before tax</b>		<b>28.886.390</b>
Tax on profit/loss for the year	4	<u>-8.661.126</u>
<b>Net profit/loss for the year</b>		<b><u>20.225.264</u></b>

## Distribution of profit

### Proposed distribution of profit

	0
Reserve for net revaluation under the equity method	53.012.470
Retained earnings	<u>-32.787.206</u>
	<b><u>20.225.264</u></b>

# Balance Sheet 31 December

## Assets

	<u>Note</u>	<u>2019</u> DKK
Investments in subsidiaries	5	505.142.249
<b>Fixed asset investments</b>		<b><u>505.142.249</u></b>
<b>Fixed assets</b>		<b><u>505.142.249</u></b>
Receivables from group enterprises		15.324.527
<b>Receivables</b>		<b><u>15.324.527</u></b>
<b>Cash at bank and in hand</b>		<b><u>45.146</u></b>
<b>Currents assets</b>		<b><u>15.369.673</u></b>
<b>Assets</b>		<b><u>520.511.922</u></b>

# Balance Sheet 31 December

## Liabilities and equity

	<u>Note</u>	<u>2019</u> DKK
Share capital		60.000
Retained earnings		141.095.264
<b>Equity</b>		<b><u>141.155.264</u></b>
Provision for deferred tax		2.030.800
<b>Provisions</b>		<b><u>2.030.800</u></b>
Payables to group enterprises		346.053.754
<b>Long-term debt</b>	6	<b><u>346.053.754</u></b>
Payables to group enterprises	6	28.631.152
Corporation tax		2.620.592
Payables to group enterprises relating to corporation tax		9.734
Other payables		10.626
<b>Short-term debt</b>		<b><u>31.272.104</u></b>
<b>Debt</b>		<b><u>377.325.858</u></b>
<b>Liabilities and equity</b>		<b><u>520.511.922</u></b>
Subsequent events	1	
Contingent assets, liabilities and other financial obligations	7	
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## Statement of Changes in Equity

	Share capital	Share premium account	Reserve for net revaluation under the equity method	Retained earnings	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 3 December 2018	0	0	0	0	0
Cash payment concerning formation of entity	50.000	0	0	0	50.000
Cash capital increase	10.000	120.870.000	0	0	120.880.000
Dissolution of revaluation	0	0	477.052.140	-477.052.140	0
Dividend from group enterprises	0	0	-531.940.099	531.940.099	0
Other equity movements	0	0	1.875.489	-1.875.489	0
Net profit/loss for the year	0	0	53.012.470	-32.787.206	20.225.264
Transfer from share premium account	0	-120.870.000	0	120.870.000	0
<b>Equity at 31 December 2019</b>	<b>60.000</b>	<b>0</b>	<b>0</b>	<b>141.095.264</b>	<b>141.155.264</b>

# Notes to the Financial Statements

## 1 Subsequent events

The implications of COVID-19 with many governments across the world deciding to "close down their countries" will have great impact on the global economy. Management considers the implications of COVID-19 a subsequent event occurred after the balance sheet date (31 December 2019), which is therefore a non-adjusting event to the Company. In consequence, the valuation of the company's investment property at 31 December 2019 is based on assumptions which may differ from Management expectations at the time of adoption of the Annual Report. At this time, it is not possible to assess the effect of Covid-19 on the 2020 Financial statements.

	<u>2018/19</u> DKK
<b>2 Income from investments in subsidiaries</b>	
Share of profits of subsidiaries	53.047.026
Share of losses of subsidiaries	-34.556
Other adjustments	1.875.489
	<u><b>54.887.959</b></u>
<b>3 Other financial expenses</b>	
Interest paid to group enterprises	18.799.420
Other financial expenses	7.116.758
	<u><b>25.916.178</b></u>
<b>4 Tax on profit/loss for the year</b>	
Current tax for the year	6.630.326
Deferred tax for the year	2.030.800
	<u><b>8.661.126</b></u>

# Notes to the Financial Statements

	2019 DKK
<b>5 Investments in subsidiaries</b>	
Cost at 3 December 2018	0
Additions for the year	982.194.389
Cost at 31 December 2019	<u>982.194.389</u>
Value adjustments at 3 December 2018	0
Net profit/loss for the year	53.012.470
Dividend to the Parent Company	-531.940.099
Other adjustments	1.875.489
Value adjustments at 31 December 2019	<u>-477.052.140</u>
<b>Carrying amount at 31 December 2019</b>	<b><u>505.142.249</u></b>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit/loss for the year
Euro Nordics Soborg P/S	Copenhagen	DKK 3.000.000	100%	505.018.189	53.047.026
Euro Nordics GP 1 ApS	Copenhagen	DKK 125.000	100%	124.061	-34.556

## 6 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:

	2019 DKK
<b>Payables to group enterprises</b>	
Between 1 and 5 years	346.053.754
Long-term part	<u>346.053.754</u>
Other short-term debt to group enterprises	28.631.152
	<b><u>374.684.906</u></b>

# Notes to the Financial Statements

## 7 Contingent assets, liabilities and other financial obligations

### Contingent liabilities

The Company has entered into an agreement regarding the daily management of the Company. The Agreement is interminable until 31 December 2021. After the interminable period, the agreement can be terminated by mutual agreement. The total obligation for the interminable period amounts to DKK 128.775.

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. Moreover, the 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.

# Notes to the Financial Statements

## 8 Accounting Policies

The Annual Report of AIP Euro Nordics BC 1 ApS for 2018/19 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 order of the items of the income statement differs from the format prescribed by the Danish Financial Statements Act as the order has been adjusted to the nature of the Company's activities.

The Financial Statements for 2018/19 are presented in DKK.

### 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.

### Translation policies

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.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.



# Notes to the Financial Statements

## 8 Accounting Policies (continued)

### Income Statement

#### Other external expenses

Other external expenses comprise administration fees and office expenses, etc.

#### Income from investments in subsidiaries

The item “Income from investments in subsidiaries” in the income statement includes the proportionate share of the profit for the year.

#### 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 changes in deferred tax for the year. The tax attributable to the profit for the 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 wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

### Balance Sheet

#### Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item “Investments in subsidiaries” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to “Reserve for net revaluation under the equity method” under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

# Notes to the Financial Statements

## 8 Accounting Policies (continued)

### 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.

### 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 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.

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, 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.