
AIP Euro Nordics BC 1 ApS

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

Annual Report for 1 January - 31 December 2020

CVR No 40 06 84 06

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
23/04 2021

Tonny Nielsen
Chairman of the General
Meeting



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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 1 January - 31 December 2020.

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 2020 of the Company and of the results of the Company operations for 2020.

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, 23 April 2021

Executive Board

Ki Yong Kim
Executive Officer

Kongjoo 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 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 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 1 January - 31 December 2020, 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 Financials 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, 23 April 2021

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: 1 January - 31 December

Municipality of reg. office: København

Executive Board

Ki Yong Kim
Kongjoo 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 2020 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 2020 shows a profit of DKK 10,460,032, and at 31 December 2020 the balance sheet of the Company shows equity of DKK 151,615,296.

Uncertainty relating to recognition and measurement

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

Unusual events

During the accounting period the outbreak of COVID-19 has been declared a Pandemic and has impacted the global economy. Management refers to note 1 regarding the effect of COVID-19 on the company's activities.

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	2020 DKK	2019 DKK
Income from investments in subsidiaries	2	35.356.641	54.887.959
Other external expenses		-96.070	-85.391
Profit/loss before financial income and expenses		35.260.571	54.802.568
Other financial expenses	3	-19.891.713	-25.916.178
Profit/loss before tax		15.368.858	28.886.390
Tax on profit/loss for the year	4	-4.908.826	-8.661.126
Net profit/loss for the year		10.460.032	20.225.264

Distribution of profit

	2020 DKK	2019 DKK
Proposed distribution of profit		
	0	0
Reserve for net revaluation under the equity method	0	53.012.470
Retained earnings	10.460.032	-32.787.206
	10.460.032	20.225.264

Balance Sheet 31 December

Assets

	Note	2020 DKK	2019 DKK
Investments in subsidiaries	5	508.223.237	505.142.249
Fixed asset investments		508.223.237	505.142.249
Fixed assets		508.223.237	505.142.249
Receivables from group enterprises		0	15.324.527
Deferred tax asset		258.493	0
Receivables		258.493	15.324.527
Cash at bank and in hand		61.111	45.146
Currents assets		319.604	15.369.673
Assets		508.542.841	520.511.922

Balance Sheet 31 December

Liabilities and equity

	Note	2020 DKK	2019 DKK
Share capital		60.000	60.000
Retained earnings		151.555.296	141.095.264
Equity		151.615.296	141.155.264
Provision for deferred tax		0	2.030.800
Provisions		0	2.030.800
Payables to group enterprises		317.184.177	346.053.754
Long-term debt	6	317.184.177	346.053.754
Payables to group enterprises	6	38.258.642	28.631.152
Corporation tax		1.463.476	2.620.592
Payables to group enterprises relating to corporation tax		0	9.734
Other payables		21.250	10.626
Short-term debt		39.743.368	31.272.104
Debt		356.927.545	377.325.858
Liabilities and equity		508.542.841	520.511.922
Subsequent events	1		
Contingent assets, liabilities and other financial obligations	7		
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Statement of Changes in Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January 2020	60.000	141.095.264	141.155.264
Net profit/loss for the year	0	10.460.032	10.460.032
Equity at 31 December 2020	60.000	151.555.296	151.615.296

Notes to the Financial Statements

1 Subsequent events

During the accounting period the outbreak of COVID-19 has been declared a Pandemic and has impacted the global economy. The Company's primary activity is investment in real estate companies. Therefore, the Company's financial performance is dependent on the real estate market. Rental income and the value of the investment property of the company has been affected to a limited extent. However, until there is clarity on the ultimate severity of the virus, the impact on the rental income and property value will remain highly uncertain. At the balance sheet date, the effect of the virus on the company's activities and asset value remains limited. management is monitoring the situation.

	2020 DKK	2019 DKK
2 Income from investments in subsidiaries		
Share of profits of subsidiaries	35.356.641	53.047.026
Share of losses of subsidiaries	0	-34.556
Other adjustments	0	1.875.489
	35.356.641	54.887.959

3 Other financial expenses

Interest paid to group enterprises	19.892.431	18.799.420
Other financial expenses	-718	7.116.758
	19.891.713	25.916.178

4 Tax on profit/loss for the year

Current tax for the year	7.174.310	6.630.326
Deferred tax for the year	-2.289.293	2.030.800
Adjustment of tax concerning previous years	23.809	0
	4.908.826	8.661.126

Notes to the Financial Statements

	2020 DKK	2019 DKK
5 Investments in subsidiaries		
Cost at 1 January 2020	982.194.389	0
Additions for the year	<u>0</u>	<u>982.194.389</u>
Cost at 31 December 2020	<u>982.194.389</u>	<u>982.194.389</u>
Value adjustments at 1 January 2020	-477.052.140	0
Net profit/loss for the year	35.356.641	53.012.470
Dividend to the Parent Company	-32.275.653	-531.940.099
Other adjustments	<u>0</u>	<u>1.875.489</u>
Value adjustments at 31 December 2020	<u>-473.971.152</u>	<u>-477.052.140</u>
Carrying amount at 31 December 2020	<u>508.223.237</u>	<u>505.142.249</u>

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%	508.099.176	35.356.640
Euro Nordics GP 1 ApS	Copenhagen	DKK 125.000	100%	124.061	1

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:

	2020 DKK	2019 DKK
Short-term part of payables to group enterprises		
After 5 years	0	0
Between 1 and 5 year	<u>317.184.177</u>	<u>346.053.754</u>
Long-term part	317.184.177	346.053.754
Other short-term debt to group enterprises	<u>38.258.642</u>	<u>28.631.152</u>
	<u>355.442.819</u>	<u>374.684.906</u>

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 2020 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 2020 are presented in DKK.

Recognition and measurement

The Financial Statements have been prepared under the historical cost method.

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.

Notes to the Financial Statements

8 Accounting Policies (continued)

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

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.