

NBV Ejendomme ApS

Industrivej 6C, 8660 Skanderborg

Company reg. no. 40 64 14 32

Annual report

1 January - 31 December 2022

The annual report was submitted and approved by the general meeting on the 10 March 2023.

Kim Andersen
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of NBV Ejendomme ApS for the financial year 1 January - 31 December 2022.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

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

We recommend that the annual report be approved at the Annual General Meeting.

Skanderborg, 3 March 2023

Managing Director

Kim Andersen

Board of directors

Donald E. Davidson

Independent auditor's report

To the Shareholders of NBV Ejendomme ApS

Opinion

We have audited the financial statements of NBV Ejendomme ApS for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under 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 2022, and of the results of the Company's operations for the financial year 1 January - 31 December 2022 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 are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We refer to note 1 for Management's description of uncertainties in relation to the recognition and measurement of investment property. We agree with Management's description..

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.

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 judgment and maintain professional skepticism 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.
- 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.

Independent auditor's report

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 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, we conclude that 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 Management's Review.

Fredericia, 3 March 2023

RSM Danmark

Statsautoriseret Revisionspartnerselskab
Company reg. no. 25 49 21 45

Søren Fricke

State Authorised Public Accountant
mne34262

Company information

The company	NBV Ejendomme ApS Industrivej 6C 8660 Skanderborg Company reg. no. 40 64 14 32 Financial year: 1 January - 31 December
Board of directors	Donald E. Davidson
Managing Director	Kim Andersen
Auditors	RSM Danmark Statsautoriseret Revisionspartnerselskab Prinsessegade 60 7000 Fredericia
Parent company	Davidson Holding ApS

Management's review

The principal activities of the company

The main activity of the company is property investment and development.

Unusual matters

No unusual circumstances have affected recognition or measurement.

Uncertainties as to recognition or measurement

The investment property is measured at the expected selling price of the building rights when constructing new commercial and residential properties. It is a precondition for this measurement that a building permit is obtained and that the local development plan for the area is changed. An application has been submitted and there is an ongoing dialogue with the authorities.

Management expects that the necessary building permit and change of the local development plan can be obtained before the end of the financial year 2023-2024.

It is estimated that the current rental property with a return of 6% will give a fair value of approx. DKK 50-55 million on the basis of the current net profit of the lease. This is considered to be the alternative use of the property if the necessary building permit and change of the local development plan cannot be obtained.

Apart from the above, no material uncertainty has affected the recognition or measurement.

Development in activities and financial matters

The result for the year is affected by a write-down of DKK 3.5 million, as a result of a lower expected selling price of the building rights.

Apart from this, results and financial development of the company were as expected.

Events subsequent to the financial year

After the end of the financial year, no events have occurred that could materially affect the financial position of the company.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Gross profit	1.893.135	2.595.794
Value adjustment of investment property	-3.475.000	-27.291.061
Profit before net financials	-1.581.865	-24.695.267
2 Other financial costs	-1.313.196	-1.065.938
Pre-tax net profit or loss	-2.895.061	-25.761.205
Tax on net profit or loss for the year	636.816	5.667.261
Net profit or loss for the year	-2.258.245	-20.093.944
Proposed distribution of net profit:		
Allocated from retained earnings	-2.258.245	-20.093.944
Total allocations and transfers	-2.258.245	-20.093.944

Balance sheet at 31 December

All amounts in DKK.

Assets			
<u>Note</u>		<u>2022</u>	<u>2021</u>
Non-current assets			
3	Investment property	90.325.000	93.800.000
	Total property, plant, and equipment	90.325.000	93.800.000
	Total non-current assets	90.325.000	93.800.000
Current assets			
	Receivables from group enterprises	962.020	0
	Total receivables	962.020	0
	Cash on hand and demand deposits	85.565	156.352
	Total current assets	1.047.585	156.352
	Total assets	91.372.585	93.956.352

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2022</u>	<u>2021</u>
Equity			
	Contributed capital	500.000	500.000
	Retained earnings	34.476.011	36.734.256
	Total equity	34.976.011	37.234.256
Provisions			
	Provisions for deferred tax	9.452.652	10.215.220
	Total provisions	9.452.652	10.215.220
Long term liabilities other than provisions			
	Mortgage loans	17.497.820	18.295.782
	Deposits	1.594.273	1.472.549
4	Total long term liabilities other than provisions	19.092.093	19.768.331
4	Current portion of long term payables	849.643	1.092.982
	Prepayments received from customers	130.000	0
	Trade payables	150.025	808.326
	Payables to group enterprises	0	2.851.140
	Corporate tax	125.752	152.064
	Other payables	26.596.409	21.834.033
	Total short term liabilities other than provisions	27.851.829	26.738.545
	Total liabilities other than provisions	46.943.922	46.506.876
	Total equity and liabilities	91.372.585	93.956.352

- 1 Uncertainties concerning recognition and measurement
- 5 Charges and security
- 6 Contingencies

Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2022	500.000	36.734.256	37.234.256
Profit or loss for the year brought forward	<u>0</u>	<u>-2.258.245</u>	<u>-2.258.245</u>
	<u>500.000</u>	<u>34.476.011</u>	<u>34.976.011</u>

Notes

All amounts in DKK.

1. Uncertainties concerning recognition and measurement

The investment property is measured at the expected selling price of the building rights when constructing new commercial and residential properties. It is a precondition for this measurement that a building permit is obtained and that the local development plan for the area is changed. An application has been submitted and there is an ongoing dialogue with the authorities.

Management expects that the necessary building permit and change of the local development plan can be obtained before the end of the financial year 2023-2024.

It is estimated that the current rental property with a return of 6% will give a fair value of approx. DKK 50-55 million on the basis of the current net profit of the lease. This is considered to be the alternative use of the property if the necessary building permit and change of the local development plan cannot be obtained.

	2022	2021
2. Other financial costs		
Financial costs, group enterprises	8.870	277.309
Other financial costs	1.304.326	788.629
	1.313.196	1.065.938

Notes

All amounts in DKK.

	<u>31/12 2022</u>	<u>31/12 2021</u>
3. Investment property		
Cost 1 January	47.216.644	46.125.583
Additions during the year	0	1.183.381
Disposals during the year	0	-92.320
Cost 31 December	<u>47.216.644</u>	<u>47.216.644</u>
Fair value adjustment 1 January	46.583.356	73.874.417
Adjust of the year to fair value	-3.475.000	-27.291.061
Fair value adjustment 31 December	<u>43.108.356</u>	<u>46.583.356</u>
Carrying amount, 31 December	<u>90.325.000</u>	<u>93.800.000</u>

The investment property is measured at fair value corresponding to the expected selling price of the building rights if an authority approval of the construction of the properties can be obtained. The measurement has been made on the basis of a property valuation made by an external real estate agent. The recognition has been made on the basis of the minimum number of square meters for which a building permit is expected to be obtained as well as a reduction in the valuation by the expected costs related to an authority approval of the project.

Valuation is made based on the following assumptions. It is expected that planning permission can be obtained for 27,000 m² of residential and 8,000 m² of commercial use. The management has estimated that the market price for building rights for residential is DKK 3,200/m² and for commercial premises DKK 2,000/m². In connection with the calculation of the market value, deductions have been made of costs for the district plan and building permits of approx. DKK 12 million.

See note 1 for a description of the uncertainty with respect to the recognition and measurement of the investment property.

Compared to the previous financial year, the methods of measurement remain unchanged.

Notes

All amounts in DKK.

4. Liabilities other than provision

	Total payables 31 Dec 2022	Current portion of long term payables	Long term payables 31 Dec 2022	Outstanding payables after 5 years
Mortgage loans	18.347.463	849.643	17.497.820	13.889.374
Deposits	1.594.273	0	1.594.273	1.594.273
	19.941.736	849.643	19.092.093	15.483.647

5. Charges and security

As collateral for mortgage loans, DKK 18.347.463 security has been granted on land and buildings representing a carrying amount of DKK 90.325.000 at 31 December 2022.

6. Contingencies Contingent liabilities

None.

Contractual obligations

None.

Joint taxation

With Davidsen Holding ApS as administration company, the company is subject to the Danish scheme of joint taxation and is proportionally liable for tax claims within the joint taxation scheme.

The company is proportionally liable for any obligations to withhold tax on interest, royalties, and dividends of the jointly taxed companies.

Accounting policies

The annual report for NBV Ejendomme ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concern matters existing on the balance sheet date.

Income statement

Gross profit

Gross profit includes costs related to investment properties as well as other external costs.

Lease income comprises income from the lease of property and from overhead costs collected and is recognised in the income statement for the period relating to the lease payment. Income from the heating account is recognised in the statement of financial position as a balance with lessees.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Costs concerning investment properties comprise operation costs, repair and maintenance costs, taxes, charges and other costs.

Accounting policies

Value adjustment of investment property

Value adjustment of investment property comprises value adjustments of properties at fair value and gain or loss from disposal of properties.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

The balance sheet

Investment property

At the first recognition, investment property is measured at cost, comprising the cost of the property and directly attached costs, if any.

Hereafter, investment properties are measured individually at an estimated fair value. The properties are measured using a return-based model, by which the expected future cash flows for the next year along with a rate of return determined by an external assessor form the basis for the fair value of the properties. Compared to the latest financial year, the method of measurement used remains unchanged.

Costs which add new or improved qualities to an investment property compared to its condition at the time of acquisition and which thereby improves the future return on the property are added to the cost as an improvement. Costs which do not add new or improved qualities to an investment property are recognised in the profit and loss account in the item "Costs concerning investment property".

Like other material fixed assets, except from land, investment property has a limited life financial life. The impairment taking place concurrently with the aging of the investment property is reflected in the current measuring of the investment property at fair value.

Accounting policies

Value adjustments are recognised in the profit and loss account in the item "Value adjustments of property".

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

Available funds

Available funds comprise cash at bank and in hand.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Income tax receivable" or "Income tax payable".

According to the rules of joint taxation, NBV Ejendomme ApS is proportionally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Accounting policies

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.