

# Davidson Holding ApS

Industrivej 6 C, 8660 Skanderborg

Company reg. no. 40 93 45 61

## Annual report

**14 November 2019 - 31 December 2020**

The annual report was submitted and approved by the general meeting on the 18 March 2021.

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**Kim Andersen**  
Chairman of the meeting

Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

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## **Management's report**

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Today, the board of directors and the managing director have presented the annual report of Davidson Holding ApS for the financial year 14 November 2019 - 31 December 2020.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the company's results of activities in the financial year 14 November 2019 – 31 December 2020.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

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

Skanderborg, 12 March 2021

### **Managing Director**

Donald Edwin Davidson

### **Board of directors**

Kim Andersen

## **Independent auditor's report**

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**To the shareholder of Davidson Holding ApS**

### **Opinion**

We have audited the financial statements of Davidson Holding ApS for the financial year 14 November 2019 - 31 December 2020, which comprise income statement, statement of financial position, notes and accounting policies. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the results of the company's activities for the financial year 14 November 2019 - 31 December 2020 in accordance with the Danish Financial Statements Act.

### **Basis for opinion**

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), 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.

### **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 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 including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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.

## **Independent auditor's report**

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As part of an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment 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 the 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 preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 the internal control that we identify during our audit.

### **Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

## **Independent auditor's report**

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In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Fredericia, 12 March 2021

### **BRANDT**

State Authorized Public Accounting Firm  
Company reg. no. 25 49 21 45

**Søren Fricke**

State Authorised Public Accountant  
mne34262

## Company information

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<b>The company</b>	Davidson Holding ApS Industrivej 6 C 8660 Skanderborg  Company reg. no. 40 93 45 61 Domicile: Skanderborg Financial year: 14 November - 31 December
<b>Board of directors</b>	Kim Andersen
<b>Managing Director</b>	Donald Edwin Davidson
<b>Auditors</b>	BRANDT Statsautoriseret Revisionspartnerselskab Prinsessegade 60 7000 Fredericia
<b>Subsidiaries</b>	Prinsensgade 16 ApS, Skanderborg NBV Ejendomme ApS, Skanderborg Vedelsgade 32 ApS, Skanderborg KADD Development ApS, Skanderborg
<b>Associated enterprise</b>	Gesagervej 108 ApS, Århus C

## **Management commentary**

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### **The principal activities of the company**

The main activity of the company is asset management and being a holding company.

### **Unusual circumstances**

No unusual circumstances have affected recognition or measurement.

### **Uncertainties about recognition or measurement**

Investments in group enterprises

It is a precondition for the valuation of the investment property of NBV Ejendomme ApS that the building permits are obtained and that the local development plan for the area is changed in connection with the construction of new properties. 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 2022.

It is estimated that the current rental property with a return of 6% will give a fair value of approx. DKK 60 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.

The alternative use will result in a write-down of investments in NBV Ejendomme ApS of approx. DKK 35 million whereby the value is reduced from approx. DKK 43 million to approx. DKK 8 million.

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

### **Development in activities and financial matters**

The results and financial development of the company were as expected.

### **Events occurring after the end of 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

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All amounts in DKK.

<u>Note</u>	14/11 2019 - 31/12 2020
<b>Gross loss</b>	<b>-143.509</b>
2 Staff costs	-120.000
<b>Profit before net financials</b>	<b>-263.509</b>
Income from equity investments in group enterprises	-3.061.066
Income from equity investment in associate	784.097
Other financial income from group enterprises	322.728
Other financial costs	-31.274
<b>Pre-tax net profit or loss</b>	<b>-2.249.024</b>
Tax on net profit or loss for the year	-15.813
<b>Net profit or loss for the year</b>	<b>-2.264.837</b>
 <b>Proposed appropriation of net profit:</b>	
Allocated from retained earnings	-2.264.837
<b>Total allocations and transfers</b>	<b>-2.264.837</b>

## Statement of financial position

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All amounts in DKK.

<u>Note</u>	<u>31/12 2020</u>
<b>Assets</b>	
<b>Non-current assets</b>	
3 Equity investments in group enterprises	49.373.212
4 Equity investments in associate	934.247
Total investments	<u>50.307.459</u>
<b>Total non-current assets</b>	<b><u>50.307.459</u></b>
<b>Current assets</b>	
Receivables from group enterprises	7.177.728
Total receivables	<u>7.177.728</u>
Cash on hand and demand deposits	<u>6.468</u>
<b>Total current assets</b>	<b><u>7.184.196</u></b>
<b>Total assets</b>	<b><u>57.491.655</u></b>

## Statement of financial position

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All amounts in DKK.

<u>Note</u>	<u>31/12 2020</u>
<b>Equity and liabilities</b>	
<b>Equity</b>	
Contributed capital	2.900.000
Share premium	47.905.000
Retained earnings	-2.264.837
<b>Total equity</b>	<b><u>48.540.163</u></b>
<b>Liabilities other than provisions</b>	
Trade payables	45.000
Payables to group enterprises	3.891.772
Income tax payable	15.813
Other payables	4.998.907
Total short term liabilities other than provisions	<u>8.951.492</u>
<b>Total liabilities other than provisions</b>	<b><u>8.951.492</u></b>
<b>Total equity and liabilities</b>	<b><u>57.491.655</u></b>
<b>1</b>	<b>Uncertainties concerning recognition and measurement</b>
<b>5</b>	<b>Charges and security</b>
<b>6</b>	<b>Contingencies</b>

## Notes

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All amounts in DKK.

### 1. Uncertainties concerning recognition and measurement

Investments in group enterprises

It is a precondition for the valuation of the investment property of NBV Ejendomme ApS that the building permits are obtained and that the local development plan for the area is changed in connection with the construction of new properties. 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 2022.

It is estimated that the current rental property with a return of 6% will give a fair value of approx. DKK 60 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.

The alternative use will result in a write-down of investments in NBV Ejendomme ApS of approx. DKK 35 million whereby the value is reduced from approx. DKK 43 million to approx. DKK 8 million.

	14/11 2019 - 31/12 2020
<b>2. Staff costs</b>	
Salaries and wages	120.000
	<b>120.000</b>
Average number of employees	1

## Notes

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All amounts in DKK.

	<u>31/12 2020</u>
<b>3. Equity investments in group enterprises</b>	
Additions during the year	71.746.778
Disposals during the year	<u>-19.312.500</u>
<b>Cost 31 December</b>	<b><u>52.434.278</u></b>
Net profit or loss for the year before amortisation of goodwill	<u>-3.061.066</u>
<b>Revaluation 31 December</b>	<b><u>-3.061.066</u></b>
<b>Carrying amount, 31 December</b>	<b><u>49.373.212</u></b>

### Financial highlights for the enterprises according to the latest approved annual reports

	<b>Equity interest</b>	<b>Carrying amount, Davidson Holding ApS</b>
Prinsensgade 16 ApS, Skanderborg	75 %	2.990.042
NBV Ejendomme ApS, Skanderborg	75 %	42.996.150
Vedelsgade 32 ApS, Skanderborg	75 %	0
KADD Development ApS, Skanderborg	75 %	<u>3.387.020</u>
		<b><u>49.373.212</u></b>

<b>4. Equity investments in associate</b>	
Additions during the year	<u>150.150</u>
<b>Cost 31 December</b>	<b><u>150.150</u></b>
Net profit or loss for the year before amortisation of goodwill	<u>784.097</u>
<b>Revaluation 31 December</b>	<b><u>784.097</u></b>
<b>Carrying amount, 31 December</b>	<b><u>934.247</u></b>

### Associated enterprise:

	<b>Domicile</b>	<b>Equity interest</b>
Gesagervej 108 ApS	Århus C	25 %

## Notes

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All amounts in DKK.

### 5. Charges and security

None.

### 6. Contingencies

#### Contingent liabilities

None

#### Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

## **Accounting policies**

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The annual report for Davidson Holding 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 annual report is presented in DKK. The annual report comprises the first financial year and hence comparative figures are not available.

### **Recognition and measurement in general**

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

## **Income statement**

### **Gross loss**

Gross loss includes other external costs.

Other external costs comprise costs incurred for administration.

### **Staff costs**

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

### **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.

## Accounting policies

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### Results from equity investments in group enterprises and associate

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the individual group enterprises are recognised in the income statement as a proportional share of the group enterprises' post-tax profit or loss.

After full elimination of intercompany profit or loss less amortised of consolidated goodwill, the equity investment in the associate is recognised in the income statement as a proportional share of the associates' post-tax profit or loss.

### Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable by the Danish consolidated companies is paid to the tax authorities by the company.

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

## Statement of financial position

### Investments

#### Equity in group enterprises and associate

Equity in group enterprises and associate are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Equity in group enterprises and associate recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Equity in group enterprises and associate with a negative equity value measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover a negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.



## **Accounting policies**

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To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises and associate are transferred to the reserve under equity for net revaluation according to the equity method. Dividends from group enterprises expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in group enterprises and associate.

### **Receivables**

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

### **Cash on hand and demand deposits**

Cash on hand and demand deposits comprise cash at bank and on hand.

### **Equity**

#### **Share premium**

Share premium comprises premium payments made in connection with the issue of shares. Costs incurred for carrying through an issue are deducted from the premium.

The premium reserve can be used for dividend, for issuing bonus shares, and for covering losses.

### **Income tax and deferred tax**

As administration company, Davidson Holding ApS is liable to the tax authorities for the subsidiaries' corporate income taxes.

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".

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.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

## **Accounting policies**

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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.