



RSM

RSM Danmark

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Davidson Holding ApS

Industrivej 6 C, 8660 Skanderborg

Company reg. no. 40 93 45 61

Annual report

1 January - 31 December 2021

The annual report was submitted and approved by the general meeting on the 25 March 2022.

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 Davidson Holding ApS for the financial year 1 January - 31 December 2021.

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 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

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, 25 March 2022

Managing Director

Donald Edwin Davidson

Board of directors

Kim Andersen

Independent auditor's report

To the Shareholder of Davidson Holding ApS

Opinion

We have audited the financial statements of Davidson Holding ApS for the financial year 1 January - 31 December 2021, 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 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 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 in subsidiaries. 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.

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

Independent auditor's report

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, 25 March 2022

RSM Danmark

Statsautoriseret Revisionspartnerselskab
Company reg. no. 25 49 21 45

Søren Fricke

State Authorised Public Accountant
mne34262

Company information

The company	Davidson Holding ApS Industrivej 6 C 8660 Skanderborg Company reg. no. 40 93 45 61 Domicile: Financial year: 1 January - 31 December
Board of directors	Kim Andersen
Managing Director	Donald Edwin Davidson
Auditors	RSM Danmark Statsautoriseret Revisionspartnerselskab Prinsessegade 60 7000 Fredericia
Subsidiaries	Prinsensgade 16 ApS, Skanderborg NBV Ejendomme ApS, Skanderborg Vedelsgade 32 ApS, Skanderborg Dares ApS, Skanderborg

Management's review

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 subsidiaries

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 2022-2023.

It is estimated that the current rental property with a return of 6% will give a fair value of approx. DKK 40-45 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 30 million whereby the value is reduced from approx. DKK 30 million to approx. DKK 0 million.

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

Development in activities and financial matters

The results is affected by write-downs on investment properties in the subsidiaries, which can be attributed to changed assumptions in connection with the development of new investment properties.

The results and financial development of the company were not 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

All amounts in DKK.

<u>Note</u>	1/1 2021 - 31/12 2021	14/11 2019 - 31/12 2020
Gross loss	-95.276	-143.509
2 Staff costs	0	-120.000
Profit before net financials	-95.276	-263.509
Income from equity investments in subsidiaries	-28.868.373	-3.061.066
Income from equity investment in associate	442.128	784.097
Other financial income from group enterprises	333.379	322.728
Other financial income	21.764	0
3 Other financial costs	-41.244	-31.274
Pre-tax net profit or loss	-28.207.622	-2.249.024
Tax on net profit or loss for the year	-48.268	-15.813
Net profit or loss for the year	-28.255.890	-2.264.837
Proposed appropriation of net profit:		
Allocated from retained earnings	-28.255.890	-2.264.837
Total allocations and transfers	-28.255.890	-2.264.837

Balance sheet at 31 December

All amounts in DKK.

Assets		2021	2020
<u>Note</u>			
Non-current assets			
4	Investments in subsidiaries	35.325.127	49.373.212
5	Investments in associate	0	934.247
	Total investments	35.325.127	50.307.459
	Total non-current assets	35.325.127	50.307.459
Current assets			
	Receivables from group enterprises	3.550.436	7.177.728
	Total receivables	3.550.436	7.177.728
	Cash on hand and demand deposits	13.523	6.468
	Total current assets	3.563.959	7.184.196
	Total assets	38.889.086	57.491.655

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities		
<u>Note</u>	<u>2021</u>	<u>2020</u>
Equity		
Contributed capital	3.400.000	2.900.000
Share premium	55.405.000	47.905.000
Retained earnings	-29.303.197	-2.264.837
Total equity	<u>29.501.803</u>	<u>48.540.163</u>
Provisions		
Provisions for investments in subsidiaries	1.447.670	0
Total provisions	<u>1.447.670</u>	<u>0</u>
Long term liabilities other than provisions		
Trade payables	45.000	45.000
Payables to group enterprises	2.100.316	3.891.772
Income tax payable	48.268	15.813
Other payables	5.746.029	4.998.907
Total short term liabilities other than provisions	7.939.613	8.951.492
Total liabilities other than provisions	<u>7.939.613</u>	<u>8.951.492</u>
Total equity and liabilities	<u>38.889.086</u>	<u>57.491.655</u>

1 Uncertainties concerning recognition and measurement

6 Charges and security

7 Contingencies

Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Share premium</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 14 November 2019	40.000	0	0	40.000
Cash capital increase	2.860.000	47.905.000	0	50.765.000
Retained earnings for the year	0	0	-2.264.837	-2.264.837
Equity 1 January 2021	2.900.000	47.905.000	-2.264.837	48.540.163
Cash capital increase	500.000	7.500.000	0	8.000.000
Retained earnings for the year	0	0	-28.255.890	-28.255.890
Elimination of internal profit on investments	0	0	1.217.530	1.217.530
	<u>3.400.000</u>	<u>55.405.000</u>	<u>-29.303.197</u>	<u>29.501.803</u>

Notes

All amounts in DKK.

1. Uncertainties concerning recognition and measurement

Investments in subsidiaries

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 2022-2023.

It is estimated that the current rental property with a return of 6% will give a fair value of approx. DKK 40-45 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 30 million whereby the value is reduced from approx. DKK 30 million to approx. DKK 0 million.

	1/1 2021 - 31/12 2021	14/11 2019 - 31/12 2020
2. Staff costs		
Salaries and wages	0	120.000
	0	120.000
Average number of employees	0	1
3. Other financial costs		
Financial costs, group enterprises	40.224	0
Other financial costs	1.020	31.274
	41.244	31.274

Notes

All amounts in DKK.

	<u>31/12 2021</u>	<u>31/12 2020</u>
4. Investments in subsidiaries		
Cost 1 January	52.434.278	0
Additions during the year	22.170.488	71.746.778
Disposals during the year	<u>-9.865.250</u>	<u>-19.312.500</u>
Cost 31 December	<u>64.739.516</u>	<u>52.434.278</u>
Revaluations, opening balance 1 January	-3.061.066	0
Net profit or loss for the year before amortisation of goodwill	-27.420.703	-3.061.066
Reversals for the year concerning disposals	<u>1.067.380</u>	<u>0</u>
Revaluation 31 December	<u>-29.414.389</u>	<u>-3.061.066</u>
Carrying amount, 31 December	<u>35.325.127</u>	<u>49.373.212</u>
Subsidiaries:		
	Domicile	Equity interest
Prinsensgade 16 ApS	Skanderborg	88 %
NBV Ejendomme ApS	Skanderborg	80 %
Vedelsgade 32 ApS	Skanderborg	88 %
Dares ApS	Skanderborg	88 %
5. Investments in associate		
Cost 1 January	150.150	0
Additions during the year	0	150.150
Disposals during the year	<u>-150.150</u>	<u>0</u>
Cost 31 December	<u>0</u>	<u>150.150</u>
Revaluation, opening balance 1 January	784.097	0
Net profit or loss for the year before amortisation of goodwill	0	784.097
Reversals for the year concerning disposals	<u>-784.097</u>	<u>0</u>
Revaluation 31 December	<u>0</u>	<u>784.097</u>
Carrying amount, 31 December	<u>0</u>	<u>934.247</u>

Notes

All amounts in DKK.

6. Charges and security

None.

7. 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.

TheThe 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

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 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 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

Results from investments in subsidiaries and associate

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

After full elimination of intercompany profit or loss less amortised of consolidated goodwill, the 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

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in subsidiaries og associate 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.

Accounting policies

Investments

Investments in subsidiaries and associate

Investments in subsidiaries and associate are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Investments in subsidiaries and associate are 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.

Investments in subsidiaries and associate with a negative equity value are 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.

To the extent the equity exceeds the cost, the net revaluation of equity investments in subsidiaries and associate transferred to the reserve under equity for net revaluation according to the equity method. Dividends from subsidiaries 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 subsidiaries and associate.

Receivables

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

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Accounting policies

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

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.

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.