



Amager Strandvej 130 ApS

Gammel Køge Landevej 57, 3.
2500 Valby
CVR No. 29147116

Annual report 2020

The Annual General Meeting adopted the
annual report on 04.05.2021

Handwritten signature of Kasper Hjort Midtgaard.

Kasper Hjort Midtgaard
Chairman of the General Meeting

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Entity details

Entity

Amager Strandvej 130 ApS

Gammel Køge Landevej 57, 3.

2500 Valby

CVR No.: 29147116

Registered office: Copenhagen

Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Peter Matzen Drachmann, Chairman of the Board

Louise Hertz

Linda Bradaia

Executive Board

Louise Hertz, Chief Executive Officer

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Amager Strandvej 130 ApS for the financial year 01.01.2020 - 31.12.2020.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 04.05.2021

Executive Board



Louise Hertz

Chief Executive Officer

Board of Directors



Peter Matzen Drachmann

Chairman of the Board



Louise Hertz



Linda Bradaia

Independent auditor's report

To the shareholders of Amager Strandvej 130 ApS

Opinion

We have audited the financial statements of Amager Strandvej 130 ApS for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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.

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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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.

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 do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, 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 conclude that the management commentary 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 of the management commentary.

Copenhagen, 04.05.2021

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556



Thomas Hermann

State Authorised Public Accountant

Identification No (MNE) mne26740

Management commentary

Primary activities

The objects of the company are to buy, develop, hold and sell real estate, to issue corporate bonds, and any business related hereto.

Description of material changes in activities and finances

The Company's income statement for the year ended December 31, 2020 showed a profit of DKK 76,311 thousand and the Company's balance sheet at December 31, 2020 showed equity of DKK 131,879 thousand.

The Project 130 was hardly impacted by the pandemic during 2020. The object was completed on time on 10 July 2020. The occupancy rate of 50% was reached on 10 August 2020. The technical condition of the building corresponds to the contractually agreed.

The value of the property slightly increased since take-over and meets expectations. The letting was very successful since take-over. At the beginning of Q1 2021 an occupancy rate of 99% was reached.

The residential rental level meets the initial business plan. In terms of the commercial units the project is in line with the cash-flow. After eight months of operations we were able to lease the commercial units above the calculated rents.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2020

	Notes	2020 DKK	2019 DKK
Gross profit/loss		762,164	(1,232,403)
Fair value adjustments of investment property		100,882,254	0
Operating profit/loss		101,644,418	(1,232,403)
Other financial income		140,410	0
Other financial expenses	1	(4,527,456)	(1,002,496)
Profit/loss before tax		97,257,372	(2,234,899)
Tax on profit/loss for the year	2	(20,946,273)	(385,594)
Profit/loss for the year		76,311,099	(2,620,493)
Proposed distribution of profit and loss			
Extraordinary dividend distributed in the financial year		0	51,100,000
Retained earnings		76,311,099	(53,720,493)
Proposed distribution of profit and loss		76,311,099	(2,620,493)

Balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Investment property		390,000,000	0
Property, plant and equipment in progress		0	215,078,204
Property, plant and equipment	3	390,000,000	215,078,204
Fixed assets		390,000,000	215,078,204
Other receivables		235,304	838,965
Prepayments		303,881	0
Receivables		539,185	838,965
Cash		26,534,750	32,942,538
Current assets		27,073,935	33,781,503
Assets		417,073,935	248,859,707

Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital		125,001	125,001
Retained earnings		131,753,628	55,442,529
Equity		131,878,629	55,567,530
Deferred tax		35,771,576	14,825,303
Provisions		35,771,576	14,825,303
Mortgage debt		148,800,000	51,000,000
Payables to group enterprises		26,000,000	0
Non-current liabilities other than provisions	4	174,800,000	51,000,000
Bank loans		0	54,361,796
Deposits		3,822,000	0
Prepayments received from customers		1,218,000	0
Trade payables		198,176	91,000
Payables to group enterprises		67,591,462	65,099,117
Other payables	5	1,794,092	7,914,961
Current liabilities other than provisions		74,623,730	127,466,874
Liabilities other than provisions		249,423,730	178,466,874
Equity and liabilities		417,073,935	248,859,707
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Statement of changes in equity for 2020

	Contributed capital DKK	Share premium DKK	Retained earnings DKK	Total DKK
Equity beginning of year	125,001	0	55,442,529	55,567,530
Increase of capital	1	35,177,151	0	35,177,152
Decrease of capital	(1)	(35,177,151)	0	(35,177,152)
Profit/loss for the year	0	0	76,311,099	76,311,099
Equity end of year	125,001	0	131,753,628	131,878,629

Notes

1 Other financial expenses

	2020 DKK	2019 DKK
Financial expenses from group enterprises	0	432,751
Other interest expenses	4,519,469	569,085
Other financial expenses	7,987	660
	4,527,456	1,002,496

2 Tax on profit/loss for the year

	2020 DKK	2019 DKK
Change in deferred tax	20,946,273	385,594
	20,946,273	385,594

3 Property, plant and equipment

	Investment property DKK	Property, plant and equipment in progress DKK
Cost beginning of year	0	215,078,204
Additions	289,117,746	74,039,541
Disposals	0	(289,117,745)
Cost end of year	289,117,746	0
Fair value adjustments for the year	100,882,254	0
Fair value adjustments end of year	100,882,254	0
Carrying amount end of year	390,000,000	0

The company's investment property is a residential building with 78 residential units located in Copenhagen S, Amager Strand. The investment property, cf. the description of accounting policies, is measured at fair value based on a discounted cash flow valuation model.

Yield, which are the basis for the terminal value and discount rate is fixed for the individual property in consideration of location, condition, tenant mix, non-terminability profile, tenants' standing and on an estimate of how the general property market is developing.

Yield used for the valuation at 31 December 2020 is 3.55%. An increase in the required rate of return by 0.5% points will reduce the fair value by approx. 48 mio.DKK.

A decrease in the required rate of return by 0.5% will increase the fair value by approx. 64 mio.DKK.

An external appraiser has been used to determine the fair value.

4 Non-current liabilities other than provisions

	Due after more than 12 months 2020 DKK	Outstanding after 5 years 2020 DKK
Mortgage debt	148,800,000	51,000,000
Payables to group enterprises	26,000,000	0
	174,800,000	51,000,000

5 Other payables

	2020 DKK	2019 DKK
Accrued interest	734,500	0
Other costs payable	1,059,592	7,914,961
	1,794,092	7,914,961

6 Working conditions

The Entity has no employees except for the CEO.

7 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where PADK ASP ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

8 Assets charged and collateral

As collateral for its mortgage debt, DKK 148,800 thousand, the Company has provided collateral in land and buildings with a carrying amount of DKK 390,000 thousand at 31 December 2020.

The Company has provided a guarantee to Sydbank. The guarantee is amounted to DKK 40,000 thousand.

The Company has provided a guarantee to Jyske Bank regarding the turnkey contract. The guarantee is amounted to DKK 25,754 thousand.

9 Related parties with controlling interest

The financial statements of PADK ASP ApS is included in the consolidated financial statements of PATRIZIA Living Cities Residential Fund SCS, SICAV-FIS, 41 avenue de la Liberté | L-1931 Luxembourg, where they can be obtained.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

The classification of the property has changed from inventories to property, plant and equipment in progress. The change do not have any impact in profit/loss, tax or equity.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises external expenses.

Revenue

Revenue, comprising rental income, is recognised in the period which it relates.

Fair value adjustments of investment property

Fair value adjustments of investment property comprise adjustments for the financial year of the Entity's investment properties measured at fair value at the balance sheet date.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, administration costs etc.

Property costs

Property costs include costs incurred to operate the Entity's properties in the financial year, including repair

and maintenance costs, property tax and electricity, water and heating, which are not charged directly from the lessee.

Other financial income

Other financial income comprises interest income on receivables from group enterprises etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, amortisation of financial liabilities etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet**Property, plant and equipment**

Property, plant and equipment in progress are measured at cost less accumulated depreciation and impairment losses. Cost comprises the acquisition price, costs directly attributable to the acquisition, and preparation costs of the asset until the time when it is ready to be put into operation. No depreciation of fixed assets under construction is made.

Interest expenses on loans for financing the manufacture of property, plant and equipment are included in cost if they relate to the manufacturing period. All other financing costs are recognised in the income statement.

If there are indications of impairment, an impairment test is performed for each asset or groups of assets. Write-down is made to the recoverable amount if it is lower than the carrying amount.

Investment property

On initial recognition, investment properties are measured at cost consisting of the acquisition price of the properties plus directly related acquisition costs.

Subsequent to initial recognition, investment properties are measured at fair value which is equivalent to the amount at which the individual property may be sold to an independent buyer at the balance sheet date.

Fair value is determined by using the DCF model as the calculated value in use of expected cash flows from each property. To determine expected cash flows, the budgeted cash flows for each property is used, including increases in price and rent levels, and a calculated terminal value which reflects the amount of normalised cash flows expected to be generated by the property after the budget period. The cash flows so calculated are discounted to net present value by using a discount rate that is estimated to reflect current market-required yield rates for similar properties inclusive of expected inflation.

The financial year's adjustments of the properties' fair value are recognised in the income statement.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

Mortgage debt

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.