



Amager Strandvej 130 ApS

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

Annual report 2019

The Annual General Meeting adopted the
annual report on 18.05.2020

Handwritten signature of Louise Hertz in black ink.

Louise Hertz

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: København
Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Marco Geisler
Linda Bradaia
Keld Jessen
Louise Hertz

Executive Board

Louise Hertz

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
P. O. Box 1600
0900 Copenhagen C

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 01.01.2019 - 31.12.2019.

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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

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, 18.05.2020

Executive Board

Louise Hertz

Board of Directors



Marco Geisler



Linda Bradaia



Keld Jessen



Louise Hertz

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 01.01.2019 - 31.12.2019, 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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 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.

Other matter

With effect from this financial year, we have been appointed as auditors of the Company. In this connection, we must emphasise that this auditor's report does not include the comparative figures in the income statement in the financial statements.

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, 18.05.2020

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 31 December 2019 showed a loss of DKK 2,620 thousand and the Company's balance sheet at 31 December 2019 showed equity of DKK 55,568 thousand.

Events after the balance sheet date

Since December 2019, COVID-19, a new strain of Coronavirus, has spread from China to other countries, including Denmark. This event might significantly affect economic activity worldwide and, as a result, the Company's operations and financial results. The extent to which the COVID-19 will impact our results will depend on future developments that cannot be reliably predicted, including actions to contain the disease or treat it and mitigate its impact on the economies of affected countries, among others.

The project development is in the interior finishing phase – COVID-19 has limited impact on construction. The effective transfer date is still 10th of July.

Innovative shift to virtual viewing will limit the impact of COVID-19 in regards of letting. Additionally to this the showroom apartment can be booked via internet.

Letting is a bit slower than expected but we have still the chance to reach the level of 50% of occupancy rate at effective transfer date.

Income statement for 2019

	Notes	2019 DKK	2018 DKK
Gross profit/loss		(1,232,403)	(1,584,870)
Other financial income		0	7,576
Other financial expenses	2	(1,002,496)	(119,442)
Profit/loss before tax		(2,234,899)	(1,696,736)
Tax on profit/loss for the year	3	(385,594)	290,298
Profit/loss for the year		(2,620,493)	(1,406,438)
Proposed distribution of profit and loss			
Extraordinary dividend distributed in the financial year		51,100,000	0
Retained earnings		(53,720,493)	(1,406,438)
Proposed distribution of profit and loss		(2,620,493)	(1,406,438)

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK	2018 DKK
Property, plant and equipment in progress		215,078,204	0
Property, plant and equipment	4	215,078,204	0
Fixed assets		215,078,204	0
Work in progress		0	69,622,640
Inventories		0	69,622,640
Other receivables		838,965	215,665
Prepayments		0	14,874
Receivables		838,965	230,539
Cash		32,942,538	218,417
Current assets		33,781,503	70,071,596
Assets		248,859,707	70,071,596

Equity and liabilities

	Notes	2019 DKK	2018 DKK
Contributed capital		125,001	125,000
Revaluation reserve		0	48,207,655
Retained earnings		55,442,529	6,833,551
Equity		55,567,530	55,166,206
Deferred tax		14,825,303	14,414,985
Provisions		14,825,303	14,414,985
Mortgage debt		51,000,000	0
Non-current liabilities other than provisions	5	51,000,000	0
Bank loans		54,361,796	0
Trade payables		91,000	202,567
Payables to group enterprises		65,099,117	0
Income tax payable		0	203,441
Other payables	6	7,914,961	84,397
Current liabilities other than provisions		127,466,874	490,405
Liabilities other than provisions		178,466,874	490,405
Equity and liabilities		248,859,707	70,071,596
Events after the balance sheet date	1		
Contingent liabilities	7		
Assets charged and collateral	8		
Related parties with controlling interest	9		

Statement of changes in equity for 2019

	Contributed capital DKK	Share premium DKK	Revaluation reserve DKK	Retained earnings DKK	Proposed extraordinary dividend DKK
Equity beginning of year	125,000	0	48,207,655	6,833,551	0
Increase of capital	1	54,121,816	0	0	0
Transferred from share premium	0	(54,121,816)	0	54,121,816	0
Extraordinary dividend paid	0	0	0	0	(51,100,000)
Transfer to reserves	0	0	(48,207,655)	48,207,655	0
Profit/loss for the year	0	0	0	(53,720,493)	51,100,000
Equity end of year	125,001	0	0	55,442,529	0

	Total DKK
Equity beginning of year	55,166,206
Increase of capital	54,121,817
Transferred from share premium	0
Extraordinary dividend paid	(51,100,000)
Transfer to reserves	0
Profit/loss for the year	(2,620,493)
Equity end of year	55,567,530

Notes

1 Events after the balance sheet date

Since December 2019, COVID-19, a new strain of Coronavirus, has spread from China to other countries, including Denmark. This event might significantly affect economic activity worldwide and, as a result, the Company's operations and financial results. The extent to which the COVID-19 will impact our results will depend on future developments that cannot be reliably predicted, including actions to contain the disease or treat it and mitigate its impact on the economies of affected countries, among others.

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Innovative shift to virtual viewing will limit the impact of COVID-19 in regards of letting. Additionally to this the showroom apartment can be booked via internet.

Letting is a bit slower than expected but we have still the chance to reach the level of 50% of occupancy rate at effective transfer date.

2 Other financial expenses

	2019 DKK	2018 DKK
Financial expenses from group enterprises	432,751	116,494
Other interest expenses	569,085	2,948
Other financial expenses	660	0
	1,002,496	119,442

3 Tax on profit/loss for the year

	2019 DKK	2018 DKK
Current tax	0	203,441
Change in deferred tax	385,594	(477,220)
Adjustment concerning previous years	0	(16,519)
	385,594	(290,298)

4 Property, plant and equipment

	Property, plant and equipment in progress DKK
Changes in accounting policies	69,622,640
Additions	145,455,564
Cost end of year	215,078,204
Carrying amount end of year	215,078,204

5 Non-current liabilities other than provisions

	Due after more than 12 months 2019 DKK	Outstanding after 5 years 2019 DKK
Mortgage debt	51,000,000	51,000,000
	51,000,000	51,000,000

6 Other payables

	2019 DKK	2018 DKK
VAT and duties	1	0
Other costs payable	7,914,960	84,397
	7,914,961	84,397

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 51,000 thousand, the Company has provided collateral in land and buildings with a carrying amount of DKK 215,078 thousand at 31 December 2019.

Bank loans are secured by way of a deposited mortgage deed registered to the mortgagor on plant of DKK 97,800 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, 2-4 Rue Beck L-1222 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.

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.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs related to construction of property.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

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.

Income tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.