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# ***Købmagergade 39 ApS***

Rued Langgaards Vej 8, 5., DK-2300 Copenhagen

## **Annual Report for 1 January - 31 December 2019**

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CVR No 35 82 51 42

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
12/5 2020

Christophe Proffit  
Chairman of the General  
Meeting



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## **Management's Statement**

The Executive Board has today considered and adopted the Annual Report of Købmagergade 39 ApS for the financial year 1 January - 31 December 2019.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2019 of the Company and of the results of the Company operations for 2019.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 12 May 2020

### **Executive Board**

Andrea Giuliani

Filip Sevcik

Christophe Robert Marcel  
Proffit

# Independent Auditor's Report

To the Shareholder of Købmagergade 39 ApS

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Købmagergade 39 ApS for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

## 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' 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.

## 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, in our view, Management's Review 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 in Management's Review.

## 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 misstate-

# Independent Auditor's Report

ment, 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.

## **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 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

# Independent Auditor's Report

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.

Frederiksberg, 12 May 2020

**Ernst & Young**

Godkendt Revisionspartnerselskab

*CVR No 30 70 02 28*

Henrik Reedtz

State Authorised Public Accountant

mne24830

## Company Information

### The Company

Købmagergade 39 ApS  
Rued Langgaards Vej 8, 5.  
DK-2300 Copenhagen

CVR No: 35 82 51 42  
Financial period: 1 January - 31 December  
Municipality of reg. office: Copenhagen

### Executive Board

Andrea Giuliani  
Filip Sevcik  
Christophe Robert Marcel Proffit

### Auditors

Ernst & Young  
Godkendt Revisionspartnerselskab  
Osvold Helmuths Vej 4  
DK-2000 Frederiksberg

# Management's Review

## Key activities

The main fokus for the company is investment in real estate and other related investments.

## Market overview

## Development in the year

The income statement of the Company for 2019 shows a profit of DKK 3,749,092, of which value adjustments amount to DKK 1,900,000, and at 31 December 2019 the balance sheet of the Company shows equity of DKK 106,145,338.

## Subsequent events

The Company's outlook for the future will be negatively affected by the COVID-19 outbreak and the measures taken by governments in most of the world to mitigate the impacts of the outbreak, see also subsequent events disclosures in note 1.

Company Management has tried to estimate the effect of COVID-19 on the expected revenue and net profit of the Company. It is, however, too early yet to give an opinion as to the extent of the negative implications. Therefore, Management finds itself unable to disclose reliably its outlook for the future in accordance with section 12 of the Danish Financial Statements Act.



## Income Statement 1 January - 31 December

	Note	2019 DKK	2018 TDKK
<b>Gross profit/loss before value adjustments</b>		<b>6.987.340</b>	<b>2.500</b>
Value adjustments of investment assets and the financial liabilities involved		1.900.000	11.400
<b>Gross profit/loss after value adjustments</b>		<b>8.887.340</b>	<b>13.900</b>
Financial income		0	23
Financial expenses	2	-4.080.655	-4.021
<b>Profit/loss before tax</b>		<b>4.806.685</b>	<b>9.902</b>
Tax on profit/loss for the year	3	-1.057.593	-2.209
<b>Net profit/loss for the year</b>		<b>3.749.092</b>	<b>7.693</b>

## Distribution of profit

### Proposed distribution of profit

Retained earnings		3.749.092	7.693
		<b>3.749.092</b>	<b>7.693</b>

# Balance Sheet 31 December

## Assets

	Note	2019 DKK	2018 TDKK
Investment properties		259.300.000	257.400
<b>Property, plant and equipment</b>	4	<b>259.300.000</b>	<b>257.400</b>
<b>Fixed assets</b>		<b>259.300.000</b>	<b>257.400</b>
Trade receivables		1.433.666	727
Other receivables		0	2
Prepayments		53.125	197
<b>Receivables</b>		<b>1.486.791</b>	<b>926</b>
<b>Cash at bank and in hand</b>		<b>5.287.266</b>	<b>4.872</b>
<b>Currents assets</b>		<b>6.774.057</b>	<b>5.798</b>
<b>Assets</b>		<b>266.074.057</b>	<b>263.198</b>

# Balance Sheet 31 December

## Liabilities and equity

	Note	2019 DKK	2018 TDKK
Share capital		50.000	50
Retained earnings		106.095.338	102.347
<b>Equity</b>	<b>5</b>	<b>106.145.338</b>	<b>102.397</b>
Provision for deferred tax	6	30.980.551	29.923
<b>Provisions</b>		<b>30.980.551</b>	<b>29.923</b>
Payables to group enterprises		122.898.067	122.898
<b>Long-term debt</b>	<b>7</b>	<b>122.898.067</b>	<b>122.898</b>
Trade payables		217.143	3
Payables to group enterprises	7	322.634	223
Deposits		3.942.318	4.169
Other payables		1.568.006	3.585
<b>Short-term debt</b>		<b>6.050.101</b>	<b>7.980</b>
<b>Debt</b>		<b>128.948.168</b>	<b>130.878</b>
<b>Liabilities and equity</b>		<b>266.074.057</b>	<b>263.198</b>
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## Statement of Changes in Equity

	Share capital DKK	Retained earnings DKK	Total DKK
Equity at 1 January	50.000	102.346.246	102.396.246
Net profit/loss for the year	0	3.749.092	3.749.092
<b>Equity at 31 December</b>	<b>50.000</b>	<b>106.095.338</b>	<b>106.145.338</b>

# Notes to the Financial Statements

## 1 Subsequent events

The implications of COVID-19 with many governments across the world deciding to "close down their countries" will have great impact on the global economy. Management considers the implications of COVID-19 a subsequent event occurred after the balance sheet date 31 December 2019, which is therefore a non-adjusting event to the Company.

In consequence, the assumption for the fair value of the investment property as at 31 December 2019, which may differ from Management expectations at the time of adoption of the Annual Report.

	2019 DKK	2018 TDKK
<b>2 Financial expenses</b>		
Interest paid to group enterprises	4.055.636	2.033
Other financial expenses	24.844	1.649
Exchange adjustments, expenses	0	339
Exchange loss	175	0
	<b>4.080.655</b>	<b>4.021</b>

## 3 Tax on profit/loss for the year

Current tax for the year	0	-319
Deferred tax for the year	1.057.593	2.528
	<b>1.057.593</b>	<b>2.209</b>

## 4 Assets measured at fair value

	Investment pro- perties DKK
Cost at 1 January	111.872.167
Cost at 31 December	111.872.167
Value adjustments at 1 January	145.527.833
Revaluations for the year	1.900.000
Value adjustments at 31 December	147.427.833
<b>Carrying amount at 31 December</b>	<b>259.300.000</b>

# Notes to the Financial Statements

## 4 Assets measured at fair value (continued)

### Assumptions underlying the determination of fair value of investment properties

Investment properties are measured at fair value. The determination of fair value is based on a return-based model, and Management uses accounting estimates when determining the fair value. The use of accounting estimates implies that the statement of fair value is subject to some uncertainty. The fair value is stated based on assumptions that Management considers probable and realistic. Management reassesses assumptions on a current basis, and any changes to the assumptions are reflected in the fair value. The yield assessed is 4,14%. If the yield changes by +/- 0,25% the fair value will increase/decrease by DKK 5,5 mio. The value is estimated by management. No external valuee has been involved.

## 5 Equity

The share capital consists of 100 shares of a nominal value of DKK 500. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

## 6 Provision for deferred tax

Deferred tax comprise primarily of tax regarding fair value adjustment. Included in deferred tax is value at taxable losses carried forward at DKK 14 mio.

# Notes to the Financial Statements

## 7 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2019 DKK	2018 TDKK
<b>Payables to group enterprises</b>		
After 5 years	122.898.067	122.898
Long-term part	122.898.067	122.898
Other short-term debt to group enterprises	322.634	223
	<b>123.220.701</b>	<b>123.121</b>

The loans to Group Companies are free of installments and are due 2025.

## 8 Contingent assets, liabilities and other financial obligations

### Charges and security

The following assets have been placed as security with bankers:

Mortgage deeds totaling TDKK 28.000 which pledge mortgages on land and buildings at a total carrying amount of	259.300.000	257.400.000
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The following assets have been placed as security with credit institutes:

Mortgage deeds totaling TDKK 28.000 which pledge mortgages on land and buildings at a total carrying amount of DKK 257,4 mio.

### Contingent liabilities

The company was jointly taxed together with Danish group companies until the shares were purchased by Generali Europe Income Holding S.A at 2 July 2018.

The company is jointly and severally liable for tax on the jointly taxed incomes etc of the Group. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

# Notes to the Financial Statements

## 9 Related parties

### Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

### Consolidated Financial Statements

The company is included in the consolidated report for the parent company

Name	Place of registered office
Generali Europe Income Holding S.A	Luxembourg

The Group Annual Report of Generali Europe Income Holding S.A may be obtained at the following address:

4, rue Jean Monnet  
L-2180 Luxembourg  
Luxembourg



# Notes to the Financial Statements

## 10 Accounting Policies

The Annual Report of Købmagergade 39 ApS for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2019 are presented in DKK.

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

### Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

# Notes to the Financial Statements

## 10 Accounting Policies (continued)

### Income Statement

#### Revenue

Rental income is recognised on a straight line-basis over the term of the lease.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

#### Expenses concerning investment properties

Expenses concerning investment properties primarily include operating expenses for the year.

#### Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

#### Gross profit/loss before value adjustments

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, expenses concerning investment properties and other external expenses.

#### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

#### Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

### Balance Sheet

#### Investment properties

Investment properties constitute land and buildings held to earn a return on the invested capital by way of current operating income and/or capital appreciation on sale.

On acquisition investment properties are measured at cost comprising the acquisition price and costs of

# Notes to the Financial Statements

## 10 Accounting Policies (continued)

acquisition. The cost of own constructed investment properties comprises the acquisition price and expenses directly related to the acquisition, including costs of acquisition and indirect expenses for labour, materials, components and suppliers up until the time when the asset is ready for use.

After the initial recognition investment properties are measured at fair value. Value adjustments of investment properties are recognised in the income statement.

In Management's opinion the classification of the properties as investment properties did not cause any difficulties.

Fair value is the amount for which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction on the balance sheet date. The determination of fair value involves material accounting estimates.

The valuation is not based on the statement from an external assessor.

The estimates applied are based on information and assumptions considered reasonable by Management but which are inherently uncertain and unpredictable. Actual events or circumstances will probably differ from the assumptions made in the calculations as often assumed events do not occur as expected. Such difference may be material. The assumptions applied are disclosed in the notes.

The fair value of certain investment properties has been determined using a return-based model under which the expected normalized cash flows for the coming year combined with a rate of return form the basis of the fair value of the property. The calculations are based on property budgets for the coming years. The budget takes into account developments in rentals, vacancies, operating expenses, maintenance and administration, etc. The budgeted cash flow is divided by the estimated rate of return to arrive at the fair value of the property. The value thus calculated is adjusted for any non-operating assets such as cash and cash equivalents, deposits, etc if they are not shown separately in the balance sheet.

### Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

### Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

# Notes to the Financial Statements

## 10 Accounting Policies (continued)

### Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

### Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

### Financial debts

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

### Deferred income

Deferred income comprises payments received in respect of income in subsequent years.