

AC Meyers Vænge, København ApS

c/o Cobblestone A/S
Gammel Køge Landevej 57, 3.
2500 Valby
Denmark

CVR no. 35 86 57 72

Annual report 2021

The annual report was presented and approved at
the Company's annual general meeting on

20 May 2022

Chairman of the annual general meeting

Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Company details	5
Operating review	6
Financial statements 1 January – 31 December	7
Income statement	7
Balance sheet	8
Statement of changes in equity	10
Notes	11

AC Meyers Vænge, København ApS
Annual report 2021
CVR no. 35 86 57 72

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of AC Meyers Vænge, København ApS for the financial year 1 January – 31 December 2021.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position 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 fair review of the matters discussed in the Management's review.

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

København, 20 May 2022
Executive Board:

Louise Hertz

Board of Directors:

Peter Matzen Drachmann
Chairman

Louise Hertz

Wilhelm Vjaceslav

Nathalie Marion-Denise
Winkelmann



Independent auditor's report

To the shareholders of AC Meyers Vænge, København ApS

Opinion

We have audited the financial statements of AC Meyers Vænge, København ApS for the financial year 1 January – 31 December 2021 comprising income statement, balance sheet, statement of changes in equity and notes, including 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 Company's assets, liabilities and financial position 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.

Management's responsibility 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 that 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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 company 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.

Independent auditor's report

- 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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 of the Management's review.

København, 20 May 2022

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Henrik Y. Jensen
State Authorised
Public Accountant
mne35442

AC Meyers Vænge, København ApS
Annual report 2021
CVR no. 35 86 57 72

Management's review

Company details

AC Meyers Vænge, København ApS
c/o Cobblestone A/S
Gammel Køge Landevej 57, 3.
2500 Valby
Denmark

CVR no.:	35 86 57 72
Established:	4 June 2014
Registered office:	København
Financial year:	1 January – 31 December

Board of Directors

Peter Matzen Drachmann, Chairman
Louise Hertz
Wilhelm Vjaceslav
Nathalie Marion-Denise Winkelmann

Executive Board

Louise Hertz

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø
Denmark
CVR no. 25 57 81 98

Annual general meeting

The annual general meeting will be held on 20 May 2022.

Management's review

Operating review

Principal activities

The objective of the company is to engage in project development including execution of building projects, and to hold and sell real estate, and other associated business activities.

Development in activities and financial position

The Company's income statement for 2021 shows a profit of DKK 32,267 thousand as against DKK 8,980 thousand in 2020. Equity in the Company's balance sheet at 31 December 2021 stood at DKK 142,929 thousand as against DKK 110,662 thousand at 31 December 2020.

The financial year was in line with forecast, and results for the year are considered satisfactory.

Events after the balance sheet date

No events have occurred after the balance sheet date which that materially affect the Company's financial position.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2021	2020
Gross profit		<u>26,020</u>	<u>17,709</u>
Profit before financial income and expenses		<u>26,020</u>	<u>17,709</u>
Fair value adjustment of investment properties		27,688	7,286
Other financial expenses	3	<u>-12,340</u>	<u>-13,992</u>
Profit before tax		<u>41,368</u>	<u>11,003</u>
Tax on profit for the year		<u>-9,101</u>	<u>-2,023</u>
Profit for the year		<u><u>32,267</u></u>	<u><u>8,980</u></u>
Proposed profit appropriation			
Retained earnings		<u>32,267</u>	<u>8,980</u>
		<u><u>32,267</u></u>	<u><u>8,980</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2021	31/12 2020
ASSETS			
Fixed assets			
Property, plant and equipment	4		
Investment properties		644,500	615,600
Total fixed assets		644,500	615,600
Current assets			
Receivables			
Trade receivables		167	0
Receivables from group entities		367	933
Other receivables		267	57
Corporation tax		0	367
		801	1,357
Cash at bank and in hand		25,068	14,565
Total current assets		25,869	15,922
TOTAL ASSETS		670,369	631,522

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2021	31/12 2020
EQUITY AND LIABILITIES			
Equity			
Contributed capital		61	61
Retained earnings		142,868	110,601
Total equity		<u>142,929</u>	<u>110,662</u>
Provisions			
Provisions for deferred tax	5	18,989	11,157
Total provisions		<u>18,989</u>	<u>11,157</u>
Liabilities other than provisions			
Non-current liabilities other than provisions			
Mortgage loans	6	297,326	297,326
Payables to shareholders and Management		194,000	194,000
		<u>491,326</u>	<u>491,326</u>
Current liabilities other than provisions			
Trade payables		4,488	441
Corporation tax		1,269	0
Other payables		494	1,243
Deferred income		18	0
Payables to shareholders and Management		0	5,813
Deposits		10,856	10,880
		<u>17,125</u>	<u>18,377</u>
Total liabilities other than provisions		<u>508,451</u>	<u>509,703</u>
TOTAL EQUITY AND LIABILITIES		<u><u>670,369</u></u>	<u><u>631,522</u></u>
Average number of full-time employees	2		
Contractual obligations, contingencies, etc.	7		
Mortgages and collateral	8		
Related party disclosures	9		

Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Total
Equity at 1 January 2021	61	110,601	110,662
Transferred over the distribution of loss	0	32,267	32,267
Equity at 31 December 2021	61	142,868	142,929

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of AC Meyers Vænge, København ApS for 2021 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Income statement

Gross profit

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Revenue

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

Other external costs

Other external expense comprise costs incurred during the period as a result of the rental of the Company's properties and administration.

Financial income and expenses

Financial income and expenses comprise interest income and expenses.

Tax on profit for the year

Tax for the year comprises current tax for the year and the changes in deferred tax, and it is recognised in the income statement with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The Company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group entities. The Company acts as administration company in relation to the joint taxation. This means that the total Danish tax payable of the income of the Danish consolidated companies is paid to the tax authorities by the Company.

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

Balance sheet

Investment properties

Investment properties comprises properties that is held to earn rentals, held for capital appreciation or both. Initially, investment properties are measured at cost including purchase price and directly related costs. The carrying amount also includes costs for improvements if the recognition criteria are met.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Subsequent to initial recognition, investment properties are stated at fair value. Gains and losses arising from changes in the fair values are included in the income statement in the year which they arise.

The properties are valued using the income capitalization method where a property's fair value is estimated based on the normalized net operating income generated by the property, which is divided by the capitalization rate. The calculated value is adjusted with expected future change in rental value, voids, capital expenses and other special circumstances.

The valuation was performed by Sebastian Grimm, JLL, an accredited and independent valuer with recognized and relevant professional qualifications and recent experience of the location and category of investment properties being valued. The valuation model applied is in accordance with the recommended by the International Valuation Standards Committee. These valuation models are consistent with the principles in IFRS 13.

Investment properties is not depreciated.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognized in the income statement as other operating income or other operating costs, respectively.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses when there is objective evidence that a receivable or a portfolio of receivables has been impaired. If there is objective evidence that an individual receivable has been impaired, write-down is made on an individual basis.

Cash at bank and in hand

Cash at bank and in hand comprise cash at bank.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

Mortgage loans and construction loans are measured at amortised costs.

Other liabilities are measured at amortised cost.

Financial statements 1 January – 31 December

Notes

DKK'000	<u>2021</u>	<u>2020</u>
2 Average number of full-time employees		
Average number of full-time employees	<u>0</u>	<u>0</u>
3 Other financial expenses		
Interest expense to shareholder	10,676	11,692
Other financial costs	<u>1,664</u>	<u>2,300</u>
	<u>12,340</u>	<u>13,992</u>
4 Investment properties		
DKK'000		<u>Investment properties</u>
Cost at 1 January 2021		568,940
Additions for the year		<u>1,212</u>
Cost at 31 December 2021		<u>570,152</u>
Revaluations at 1 January 2021		46,660
Revaluations for the year		<u>27,688</u>
Revaluations at 31 December 2021		<u>74,348</u>
Carrying amount at 31 December 2021		<u>644,500</u>

Key assumptions:

Investment properties are measured at fair value. The fair value is calculated by using general accepted valuation methods (DCF calculations) based on Management's assumptions regarding future cash flows, required rates of return etc.

The property is located in Copenhagen and used for a mix of residential and retail with a total area of 18,775 sqm. A void period of 4 months is estimated for vacant residential units and 6 months for retail units. Additionally, a structural vacancy of 2.5% for residential units and 5% for retail units have been included in the estimated cash flow. The exit yield is estimated at 4,11% (2020: 3.40%).

The fair value of investment properties at 31 December 2021 has been assessed by an independent 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 differences may be material.

Sensitivity analysis:

An increase of the exit yield by 0.25 percentage points would reduce the property value by DKK 33,5 million. A decrease in the exit yield by 0.25 percentage points would increase the property value by DKK 38,6 million at the balance sheet date.

Financial statements 1 January – 31 December

Notes

5 Deferred tax

DKK'000	31/12 2021	31/12 2020
Deferred tax at 1 January	11,157	7,833
Provision for the year	7,832	2,789
Adjustment of deferred tax concerning previous years	0	535
	<u>18,989</u>	<u>11,157</u>

6 Liabilities other than provisions

DKK'000	Total debt at 31/12 2021	Outstanding debt after five years
Mortgage loan	297,326	297,326
Payables to shareholder and Management	194,000	194,000
	<u>491,326</u>	<u>491,326</u>

7 Contractual obligations, contingencies, etc.

The Company is subject to the Danish scheme of joint taxation an unlimited jointly and severally liable with the other taxed companies for the total corporate tax.

8 Mortgages and collateral

Investment properties with a carrying amount of DKK 644,5 million at 31 December 2021 have been provided as collateral for mortgages of DKK 297 million.

9 Related party disclosures

AC Meyers Vænge, København ApS is part of the consolidated financial statements of PATRIZIA Augsburg Kapitalverwaltungsgesellschaft mbH, Fuggerstrasse 26, 86150 Augsburg, Germany, which is the smallest group in which the Company is included as a subsidiary.

The consolidated financial statements of PATRIZIA Augsburg Kapitalverwaltungsgesellschaft mbH can be obtained by contacting the Company at the address above.