

Saltholmsgade ApS

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

CVR no. 36 94 13 67

Annual report 2020

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

29 June 2021

Louise Hertz
Chairman

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Saltholmsgade ApS
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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 Saltholmsgade ApS for the financial year 1 January – 31 December 2020.

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 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020.

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.

29 June 2021
Executive Board:

Louise Hertz

Board of Directors:

Nathalie Marion-Denise
Winkelmann
Chairman

Keld Jessen

Louise Hertz

Independent auditor's report

To the shareholder of Saltholmsgade ApS

Opinion

We have audited the financial statements of Saltholmsgade ApS for the financial year 1 January – 31 December 2020 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 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 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 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 rules and requirements.

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.

Copenhagen, 29 June 2021

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Carsten Nielsen
State Authorised
Public Accountant
mne30212

Saltholmsgade ApS
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Management's review

Company details

Saltholmsgade ApS
c/o Cobbelstone A/S
Gammel Køge Landevej 57, 3.
DK-2500 Valby

CVR no.:	36 94 13 67
Established:	29 June 2015
Registered office:	
Financial year:	1 January – 31 December

Board of Directors

Nathalie Marion-Denise Winkelmann, Chairman
Keld Jessen
Louise Hertz

Executive Board

Louise Hertz

Auditor

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

Management's review

Operating review

Principal activities

The objective of the Company is to acquire real estate property for a subsequent development and resale.

Development in activities and financial position

The Company's income statement for 2020 shows a profit of DKK 43,551 thousand as against DKK 219 thousand in 2019. The profit for 2020 is significantly influenced by positive fair value adjustments of the investment property. Equity in the Company's balance sheet at 31 December 2020 stood at DKK 168,887 thousand as against DKK 46,836 thousand at 31 December 2019.

Uncertainty regarding recognition and measurement

The investment property is measured at fair value using a DCF-model with assumptions and estimates relating to yields, vacancy etc. The uncertainty related to these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the investment property. Please see note 5.

Events after the balance sheet date

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

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2020	2019
Gross profit		<u>1,967</u>	<u>2,851</u>
Profit before financial income and expenses		<u>1,967</u>	<u>2,851</u>
Fair value adjustment of investment properties		56,659	0
Other financial income	3	758	434
Other financial expenses	4	<u>-3,549</u>	<u>-2,750</u>
Profit before tax		<u>55,835</u>	<u>535</u>
Tax on profit for the year	5	<u>-12,284</u>	<u>-316</u>
Profit for the year		<u><u>43,551</u></u>	<u><u>219</u></u>
Proposed profit appropriation			
Proposed dividends for the year		6,700	0
Retained earnings		<u>36,851</u>	<u>219</u>
		<u><u>43,551</u></u>	<u><u>219</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	<u>31/12 2020</u>	<u>31/12 2019</u>
ASSETS			
Fixed assets			
Property, plant and equipment			
	6		
Investment properties		344,700	0
Property, plant and equipment under construction		<u>0</u>	<u>243,820</u>
		<u>344,700</u>	<u>243,820</u>
Total fixed assets		<u>344,700</u>	<u>243,820</u>
Current assets			
Receivables			
Receivables from group entities		2,567	50,767
Other receivables		4,078	0
Tax receivable		<u>0</u>	<u>706</u>
		<u>6,645</u>	<u>51,473</u>
Cash at bank and in hand		<u>1,897</u>	<u>883</u>
Total current assets		<u>8,542</u>	<u>52,356</u>
TOTAL ASSETS		<u><u>353,242</u></u>	<u><u>296,176</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2020	31/12 2019
EQUITY AND LIABILITIES			
Equity			
Contributed capital		50,000	50,000
Retained earnings		112,187	-3,164
Proposed dividends for the financial year		<u>6,700</u>	<u>0</u>
Total equity		<u>168,887</u>	<u>46,836</u>
Provisions			
Provisions for deferred tax		<u>11,578</u>	<u>0</u>
Total provisions		<u>11,578</u>	<u>0</u>
Liabilities other than provisions			
Non-current liabilities other than provisions			
Mortgage loans	7	<u>166,171</u>	<u>0</u>
Current liabilities other than provisions			
Banks, current liabilities		0	178,127
Trade payables		156	10,293
Payables to group entities		0	22,554
Corporation tax		0	112
Other payables		1,273	37,472
Deferred income		1,341	0
Deposits		<u>3,836</u>	<u>782</u>
		<u>6,606</u>	<u>249,340</u>
Total liabilities other than provisions		<u>172,777</u>	<u>249,340</u>
TOTAL EQUITY AND LIABILITIES		<u><u>353,242</u></u>	<u><u>296,176</u></u>
Average number of full-time employees	2		
Contractual obligations, contingencies, etc.	8		
Mortgages and collateral	9		
Related party disclosures	10		

Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Proposed dividends for the financial year	Total
Equity at 1 January 2020	50,000	-3,164	0	46,836
Cash capital increase	0	78,500	0	78,500
Transferred over the profit appropriation	0	36,851	6,700	43,551
Equity at 31 December 2020	50,000	112,187	6,700	168,887

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Saltholmsgade ApS for 2020 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.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit

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

Revenue

Rental revenue from operating leases is recognised as income on a straight line basis over the lease period.

Other external costs

Other external costs comprises costs incurred during the year as a result of the rental of the Company's properties and administration.

Value adjustment of investment properties

Value adjustment of investment properties comprises the year's changes in the fair value of investment properties.

Financial income and expenses

Financial income and expenses comprise interest income and expense and amortisation of financial liabilities.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Tax on profit for the year

The Parent Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Parent Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Investment properties

Investment properties comprise properties that are 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 is met.

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 fair value of completed investment properties are determined using a discounted cash flow (DCF). Under the DCF-method, a properties fair value are estimated using explicit assumptions about the risks and yields over the asset's life, including an exit or terminal value. This involves the projection of a series of cash flows and to do this, an appropriate, market-derived discount rate is applied to establish the present value of the income stream.

The duration of the cash flow and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal, reletting, redevelopment, or refurbishment.

The valuations were performed by Cashman & Wanefield, an accredited independent value with a recognised and relevant professional qualification and recent experience of the location and category of the investment properties being valued. The valuation model applied is in accordance with that recommended by the International Valuation Standards Committee. These valuation models are consistent with the principles in IFRS 13.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Property, plant and equipment under construction

Investment properties under construction is measured at cost or net realization value, if lower than cost. Costs include project development and construction costs directly attributable to the project.

Borrowing costs for financing the development projects are recognised at cost and recognised as investment property under construction if they relate to the construction period.

Costs such as property taxes that relate to the period preceding the commencement of project development are expensed as incurred under other external costs.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in group entities and associates is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions are made for bad debts.

Accrued rent discounts are amortised on a straight line basis over the life time of the lease contract.

Cash at bank and in hand

Cash and cash equivalents 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.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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.

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

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at net realisable value.

Prepayments and deferred income

Deferred income comprises advance invoicing regarding income in subsequent years.

Equity

Dividends

The expected dividends payment for the year is disclosed as a separate item under equity.

Financial statements 1 January – 31 December

Notes

DKK'000	<u>2020</u>	<u>2019</u>	
2 Average number of full-time employees			
Average number of full-time employees	<u>0</u>	<u>0</u>	
3 Other financial income			
Interest income from group entities	0	434	
Other financial income	<u>758</u>	<u>0</u>	
	<u>758</u>	<u>434</u>	
4 Other financial expenses			
Interest expense to group entities	0	503	
Other financial costs	<u>3,549</u>	<u>2,247</u>	
	<u>3,549</u>	<u>2,750</u>	
5 Tax on profit for the year			
Current tax for the year	0	74	
Deferred tax for the year	12,284	204	
Adjustment of tax concerning previous years	<u>0</u>	<u>38</u>	
	<u>12,284</u>	<u>316</u>	
6 Investment properties			
DKK'000	Investment properties	Property, plant and equipment under construction	Total
Cost at 1 January 2020	0	243,820	243,820
Additions for the year	18,568	25,653	44,221
Transfers for the year	<u>269,473</u>	<u>-269,473</u>	<u>0</u>
Cost at 31 December 2020	<u>288,041</u>	<u>0</u>	<u>288,041</u>
Revaluations for the year	<u>56,659</u>	<u>0</u>	<u>56,659</u>
Revaluations at 31 December 2020	<u>56,659</u>	<u>0</u>	<u>56,659</u>
Carrying amount at 31 December 2020	<u>344,700</u>	<u>0</u>	<u>344,700</u>

Financial statements 1 January – 31 December

Notes

6 Investment properties (continued)

Key assumptions:

The residential property located in Aarhus has a total area of 8,759 sqm. and 104 parking spaces. Additionally, a structural vacancy of 2% has been included in the estimated cash flow. The exit yield is estimated at 3,7%.

Sensitivity analysis:

An increase of the exit yield by 0.25 percentage points would reduce the property value by DKK 21.8 million. A decrease in the exit yield by 0.25 percentage points would increase the property value by DKK 24.9 million at the balance sheet date.

7 Non-current liabilities other than provisions

DKK'000

Debt to financial institutions

Total debt at 31/12 2020	Outstanding debt after five years
166,171	166,171
<u>166,171</u>	<u>166,171</u>

8 Contractual obligations, contingencies, etc.

Contingencies

The Company is subject to the Danish scheme of joint taxation with Saltholmsgade Holding Residential ApS as the administrative company. The Company is unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax, etc.

9 Mortgages and collateral

As collateral for its mortgage debt, DKK 166,171 thousand, the company has provided collateral in investment properties with a carrying amount of DKK 344,700 thousand at 31 December 2020.

10 Related party disclosures

Saltholmsgade ApS related parties comprise the following:

Control

Saltholmsgade ApS is part of the consolidated financial statements of Universal-Investment-Luxembourg, S.A. Rue de Flaxweiler 15, L6776 Grevenmacher, Luxembourg, which is the smallest and largest group, respectively, in which the Company is included as a subsidiary.

The consolidated financial statements of Universal-Investment-Luxembourg can be obtained by contacting the companies at the addresses above.