

# København Sydhavn ApS

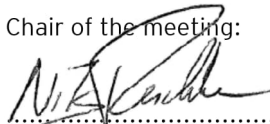
c/o Cobblestone A/S  
Gammel Køge Landevej 57, 3., 2500 Valby

CVR no. 37 07 84 17

## Annual report 2021

Approved at the Company's annual general meeting on 12 April 2022

Chair of the meeting:



.....  
Nils Reschke

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## Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of København Sydhavn ApS for the financial year 1 January - 31 December 2021.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Company at 31 December 2021 and of the results of the Group's and the Company's operations for the financial year 1 January - 31 December 2021.

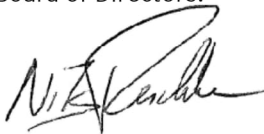
Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Copenhagen, 12 April 2022  
Executive Board:

  
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Louise Hertz

Board of Directors:

  
.....

Nils Reschke  
Chair

  
.....

Joachim Marcus Fritz

  
.....

Louise Hertz

## Independent auditor's report

To the shareholders of København Sydhavn ApS

### Opinion

We have audited the consolidated financial statements and the parent company financial statements of København Sydhavn ApS for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2021, and of the results of the Group's and Parent 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 consolidated financial statements and the parent Company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' 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.

### Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 Group's and the Parent 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 Group or the Parent 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 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 the 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.

## 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 Group's and the Parent 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 Group's and the Parent 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 Group and the Parent Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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, 12 April 2022  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Kaare K. Lendorf  
State Authorised Public Accountant  
mne33819

## Management's review

### Company details

Name	København Sydhavn ApS
Address, Postal code, City	c/o Cobblestone A/S Gammel Køge Landevej 57, 3., 2500 Valby
CVR no.	37 07 84 17
Registered office	København
Financial year	1 January - 31 December
Board of Directors	Nils Reschke, Chair Joachim Marcus Fritz Louise Hertz
Executive Board	Louise Hertz
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

## Management's review

### Business review

The Group's primary activity is to own and to lease a housing complex.

København Sydhavn ApS acquired the shares in Kommanditaktieselskabet Østre Teglgade 7 and the general partner Komplementarselskabet Østre Teglgade ApS at 1 November 2016.

Kommanditaktieselskabet Østre Teglgade 7 owns a newly constructed property consisting of a housing complex with the total letting area of approximately 12,559 square metres divided into 120 apartments and 7 town houses including parking space in the vicinity of the city centre of Copenhagen.

### Recognition and measurement uncertainties

As the company's purpose is investment in properties, the Company is affected by changes in the property market, including the general level of interest rates and economic conditions. For a description of significant assumptions for the fair value recognition as 31 December 2021, please refer to note 5 and 6.

### Financial review

The income statement for 2021 shows a profit of DKK 53,683 thousand against a profit of DKK 66 thousand last year, and the group's balance sheet at 31 December 2021 shows equity of DKK 186,535 thousand. Management considers the group's financial performance in the year satisfactory.

### Events after the balance sheet date

No events materially affecting the Group's and the Company's financial position have occurred subsequent to the financial year-end.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Income statement

Note	DKK'000	Group		Parent company	
		2021	2020	2021	2020
	Revenue	22,132	21,006	0	0
	Other external expenses	-6,871	-6,927	-831	-827
	Gross profit	15,261	14,079	-831	-827
2	Staff costs	0	0	0	0
	Operating profit/loss before fair value adjustments	15,261	14,079	-831	-827
	Fair value adjustments of investment property	67,600	0	0	0
	Profit/loss before net financials	82,861	14,079	-831	-827
	Income from investments in group entities	0	0	10,366	10,366
3	Financial expenses	-14,037	-13,974	-10,423	-10,388
	Profit/loss before tax	68,824	105	-888	-849
4	Tax for the year	-15,141	-39	-15,147	-45
	Profit/loss for the year	53,683	66	-16,035	-894
	Recommended appropriation of profit/loss			-16,035	-894
	Retained earnings/accumulated loss			-16,035	-894



Consolidated financial statements and parent company financial statements 1 January -  
31 December

Balance sheet

Note	DKK'000	Group		Parent company	
		2021	2020	2021	2020
		<b>ASSETS</b>			
		Non-current assets			
5	Property, plant and equipment				
6	Investment property	566,600	499,000	0	0
		566,600	499,000	0	0
		Financial assets			
	Investments in group entities, cost	0	0	209,949	209,949
		0	0	209,949	209,949
	Total non-current assets	566,600	499,000	209,949	209,949
		Current assets			
	Receivables	Receivables from group entities			
		0	0	117	91
	Other receivables	70	33	0	0
		70	33	117	91
	Cash	18,473	19,282	2,241	3,084
	Total current assets	18,543	19,315	2,358	3,175
	<b>TOTAL ASSETS</b>	<b>585,143</b>	<b>518,315</b>	<b>212,307</b>	<b>213,124</b>



Consolidated financial statements and parent company financial statements 1 January -  
31 December

Statement of changes in equity

DKK'000	Group		
	Share capital	Retained earnings	Total
Equity at 1 January 2020	86,295	46,491	132,786
Transfer through appropriation of profit	0	66	66
Equity at 1 January 2021	86,295	46,557	132,852
Transfer through appropriation of profit	0	53,683	53,683
Equity at 31 December 2021	86,295	100,240	186,535

DKK'000	Parent company		
	Share capital	Retained earnings	Total
Equity at 1 January 2020	86,295	-33,999	52,296
Transfer through appropriation of loss	0	-894	-894
Equity at 1 January 2021	86,295	-34,893	51,402
Transfer through appropriation of loss	0	-16,035	-16,035
Equity at 31 December 2021	86,295	-50,928	35,367

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of København Sydhavn ApS for 2021 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Effective from the financial year 2021, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed a requirement for further disclosures. The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

#### Consolidated financial statements

##### *Preparation of consolidated financial statements*

The consolidated financial statements comprise the parent København Sydhavn ApS, and entities controlled by the parent. Control is presumed to exist when the parent owns, directly or indirectly, more than half of the voting power of an entity. Control may also exist by virtue of an agreement or articles of association or when the parent otherwise has a controlling interest in the subsidiary or actually exercises controlling influence over it.

The existence and impact of potential voting rights that are actually exercisable or convertible are taken into account when assessing whether control exists.

The consolidated financial statements have been prepared as a consolidation of the parent company's and the individual subsidiaries' financial statements, which are prepared according to the Group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains in so far as they do not reflect impairment.

Corporate acquisitions are accounted for using the purchase method, according to which the acquired entity's identifiable assets and liabilities acquired are measured at their fair values at the date of acquisition. Restructuring costs recognised in the acquired entity before the date of acquisition and not agreed as part of the acquisition are part of the acquisition balance sheet and, hence, the calculation of goodwill. Restructuring costs decided by the acquiring entity must be recognised in the income statement. Allowance is made for the tax effect of revaluations made. Any excess of the cost over fair value of the identifiable assets and liabilities acquired (goodwill) is recognised as intangible assets and amortised on a systematic basis in the income statement based on an individual income in the income statement at the time of acquisition when the general revenue recognition criteria are met. Goodwill and negative goodwill from acquired entities can be adjusted until 12 months after the year of acquisition.

Entities over which the Group has significant influence are considered associates. The Group is considered to have significant influence when it directly or indirectly holds between 20% and 50% of the voting rights or otherwise has or actually exercises significant influence. Associates are recognised in the consolidated financial statements at their net asset value.

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate 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 and payables and other monetary items denominated in foreign currencies are translated at the exchange rate 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 most recent financial statements is recognised in the income statement as financial income or financial expenses.

##### Income statement

##### Revenue

Rental income receivable from operating leases is recognised on a straight-line basis over the term of the lease, except for contingent rental income which is recognised when it arises.

Incentives for lessees to enter into lease agreements are spread evenly over the lease term, even if the payments are not made on such a basis.

The lease period is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where at the inception of the lease the directors are reasonably certain that the tenant will exercise that option. Amounts received from tenants to terminate leases or to compensate for dilapidations are recognised in the income statement when they arise.

##### Service charges and expenses recoverable from tenants:

Income arising from expenses recharged to tenants is recognised in the period in which the expense can be contractually recovered. Service charges and other such receipts are included gross of the related costs in revenue when the directors consider that the Group acts as principal and net when the directors consider that the Group acts as agent.

##### Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to advertising, administration, premises, bad debts, etc.

##### Profit from investments in subsidiaries

The item includes dividends from investments in subsidiaries and associates. Dividend distributions that either exceed the profit for the year or where the carrying amount of the investments exceeds the consolidated carrying amounts of the subsidiary's net assets will indicate impairment for which reason an impairment test will have to be conducted.

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Financial expenses

Financial expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, fair value adjustment of swap, etc.

##### Tax

The parent company is covered by the Danish rules on mandatory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The parent company acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge 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 been able to use the tax losses to reduce their own taxable income.

Tax for the year, which comprises the current income tax charge, joint taxation contributions and deferred tax adjustments, including adjustments arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

##### Balance sheet

##### Investment property

On initial recognition, investment property is measured at cost. Investment property is subsequently measured at fair value, and the value adjustment for the year is recognised in the income statement under 'Fair value adjustment of investment property'. The fair value is based on the expected future cash flows for the investment property. Debt relating to investment property is measured at amortised cost. The cost of the year is recognised in the income statement under 'financial cost'.

##### Investments in subsidiaries

Investments in subsidiaries and associates are measured at cost, which includes the cost of acquisition calculated at fair value plus direct costs of acquisition. If there is evidence of impairment, an impairment test is conducted. Where the carrying amount exceeds the recoverable amount, a write-down is made to such lower value.

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

##### Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

##### Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

##### Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to 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. Deferred tax assets are recognised at the expected value of their utilisation; 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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

##### Liabilities

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

Other liabilities are measured at net realisable value.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

2 Staff costs

Group

The group has no employees.

	Group		Parent company	
	2021	2020	2021	2020
DKK'000				
3 Financial expenses				
Interest expenses, group entities	10,366	10,366	10,366	10,366
Other financial expenses	3,671	3,608	57	22
	<u>14,037</u>	<u>13,974</u>	<u>10,423</u>	<u>10,388</u>
4 Tax for the year				
Deferred tax adjustments in the year	15,141	39	15,147	45
	<u>15,141</u>	<u>39</u>	<u>15,147</u>	<u>45</u>

5 Property, plant and equipment

	Group
DKK'000	Investment property
Cost at 1 January 2021	<u>422,319</u>
Cost at 31 December 2021	<u>422,319</u>
Revaluations at 1 January 2021	76,681
Revaluations in the year	<u>67,600</u>
Revaluations at 31 December 2021	<u>144,281</u>
Carrying amount at 31 December 2021	<u>566,600</u>

Note 9 provides more details on security for loans, etc. as regards property, plant and equipment.



## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 6 Investment property

##### Group

The Group Group invests in rental property. Investment property is recognised at fair value with value adjustment over the income statement, see the provisions in section 38 of the Danish Financial Statements Act.

##### *Fair value estimation*

The independent appraisers CBRE have been consulted for purposes of estimating the fair values of the investment property.

The valuation model used to estimate the fair value is a DCF model with a ten-year budget model.

Expected future cash flows are based on budgets approved by management for the coming years and an estimated terminal value for the remaining life of the property. The discount factor comprises the risk-free interest rate and a risk premium for the property.

The most significant fair value assumptions are the following:

- ▶ Vacancy 2%
- ▶ Exit yield 3,25%
- ▶ Inflation rate 2%
- ▶ First year NOI DKK 18,6 million and terminal value DKK 417,0 million

#### 7 Non-current liabilities

DKK'000	Group			
	Total debt at 31/12 2021	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Deferred tax	28,550	0	28,550	28,550
Mortgage debt	212,878	1,482	211,396	206,925
Payables to group entities	148,080	0	148,080	148,080
Deposits	7,918	0	7,918	7,918
	<b>397,426</b>	<b>1,482</b>	<b>395,944</b>	<b>391,473</b>

Amortised borrowing costs recognised in mortgage debt represents DKK 414 thousand.

#### 8 Contractual obligations and contingencies, etc.

As management company, the Company is jointly taxed with other Danish group entities. The Company is jointly and severally with other jointly taxed group entities for payment of income taxes and withholding taxes falling due for payment in the group of jointly taxed entities.

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 9 Collateral

##### Group

As security for the Group's debt to mortgage credit institutions, DKK 212,9 million, the Group has pledged investment property. The total carrying amount of the assets placed as security was DKK 566,6 million at 31 December 2021.

##### Parent company

The shares in Kommanditaktieselskabet Østre Teglgade 7 have been pledged to PATRIZIA GrundInvest Kopenhagen Südhafen GmbH & Co. geschlossene Investment-KG

#### 10 Related parties

##### Parties exercising control

<u>Related party</u>	<u>Domicile</u>	<u>Basis for control</u>
PATRIZIA GrundInvest Kopenhagen Südhafen GmbH & Co. geschlossene Investment-KG	Germany	Participating interest