

Rødovre City 2 P/S

c/o CBRE A/S
Rued Langgaards Vej 8
2300 København S
Denmark

CVR no. 37 27 19 77

Annual report 2020

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

30 June 2021

Jørn Jensen Holm
chairman

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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 Rødovre City 2 P/S 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.

Copenhagen, 30 June 2021

Executive Board:



Guttorm Sellevoll Hunskaar

Per Alexandar Henrik
Glindtborg Weinreich

Jørn Jensen Holm

Board of Directors:

Denise Mariendal Bang
Chairman

Guttorm Sellevoll Hunskaar

Maria Rebbe Thomassen

Independent auditor's report

To the shareholder of Rødovre City 2 P/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company 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.

We have audited the Financial Statements of Rødovre City 2 P/S for the financial year 1 January – 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("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 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.

Independent auditor's report

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 skepticism 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 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.

Hellerup, 30 June 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR no. 33 77 12 31

René Otto Poulsen
State Authorised
Public Accountant
mne26718

Henrik Hornbæk
State Authorised
Public Accountant
mne32802

Rødovre City 2 P/S
Annual report 2020
CVR no. 37 27 19 77

Management's review

Company details

Rødovre City 2 P/S
c/o CBRE A/S
Rued Langgaards Vej 8
2300 København S
Denmark

CVR no.:	37 27 19 77
Established:	1 December 2015
Registered office:	Copenhagen
Financial year:	1 January – 31 December

Board of Directors

Denise Mariendal Bang, Chairman
Guttorm Sellevoll Hunsår
Maria Rebbe Thomassen

Executive Board

Guttorm Sellevoll Hunsår
Per Alexandar Henrik Glindtborg Weinreich
Jørn Jensen Holm

Auditor

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup
Denmark

Management's review

Operating review

Principal activities

The principal activities of the Company are project development within real estate and related activities. The Company is working on one project which is the development, construction, letting and potentially selling of a property situated in Rødovre, Greater Copenhagen in the size of app. 37,500 square meters. The project is expected to be completed in steps and finally in 2024. The company has obtained bankfinancing of up to DKK 806m of which DKK 300m has been drawn as of 31 December 2020. The financing of the remaining part of the project is secured by the bankfinancing and support from the shareholders.

Development in activities and financial position

The Company's income statement for 2020 shows a profit of DKK -1,504,430 as against DKK -31,856,512 in 2019. Equity in the Company's balance sheet at 31 December 2020 stood at DKK 185,415,014 as against DKK 183,919,444 at 31 December 2019.

The outbreak of the coronavirus ("COVID-19") adversely impacted commercial global activity, in which the Company operates. However, it is the Directors' assessment, that the Company can continue to operate as a going concern for at least 12 months from the end of the reporting period.

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	Note	2020	2019
Gross loss		<u>-1,448,819</u>	<u>-504,812</u>
Loss before financial income and expenses		<u>-1,448,819</u>	<u>-504,812</u>
Financial expenses		<u>-55,611</u>	<u>-2,512</u>
Loss before tax		<u>-1,504,430</u>	<u>-507,324</u>
Tax on loss for the year	3	<u>0</u>	<u>-31,349,188</u>
Loss for the year		<u><u>-1,504,430</u></u>	<u><u>-31,856,512</u></u>
Proposed distribution of loss			
Retained earnings		<u>-1,504,430</u>	<u>-31,856,512</u>
		<u><u>-1,504,430</u></u>	<u><u>-31,856,512</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	2020	2019
ASSETS			
Current assets			
Inventories			
Work in progress		<u>471,066,335</u>	<u>235,745,505</u>
Receivables			
Receivables from group entities		842,832	0
Receivables from associates		252,045	0
Other receivables		6,737,517	712,762
Prepayments		<u>152,371</u>	<u>380,926</u>
		<u>7,984,765</u>	<u>1,093,688</u>
Cash at bank and in hand	5	<u>7,350,030</u>	<u>2,921,751</u>
Total current assets		<u>486,401,130</u>	<u>239,760,944</u>
TOTAL ASSETS		<u><u>486,401,130</u></u>	<u><u>239,760,944</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	2020	2019
EQUITY AND LIABILITIES			
Equity			
Contributed capital		407,585	402,000
Retained earnings		<u>185,007,429</u>	<u>183,517,444</u>
Total equity		<u>185,415,014</u>	<u>183,919,444</u>
Liabilities			
Non-current liabilities			
Debt to credit institutions	6	<u>290,526,043</u>	<u>49,535,636</u>
Current liabilities			
Banks, current liabilities		1,860,294	0
Trade payables		3,935,357	6,305,864
Payables to group entities		3,918,122	0
Deposits		<u>746,300</u>	<u>0</u>
		<u>10,460,073</u>	<u>6,305,864</u>
Total liabilities		<u>300,986,116</u>	<u>55,841,500</u>
TOTAL EQUITY AND LIABILITIES		<u>486,401,130</u>	<u>239,760,944</u>
Contractual obligations, contingencies, etc.	7		
Related party disclosures	8		

Financial statements 1 January – 31 December

Statement of changes in equity

DKK	Contributed capital	Retained earnings	Total
Equity at 1 January 2020	402,000	183,517,444	183,919,444
Capital increase	5,585	2,994,415	3,000,000
Transferred over the distribution of loss	0	-1,504,430	-1,504,430
Equity at 31 December 2020	407,585	185,007,429	185,415,014

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Rødovre City 2 P/S 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 selected rules applying to reporting class C.

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

The Financial Statements for 2020 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 assets can be measured reliably.

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

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 loss

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

Other operating income

Other operating income comprises items secondary to the activities of the entity.

Other external costs

Other external costs comprise administration costs.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Financial expenses

Financial expenses comprise interest expenses.

Tax on loss for the year

The Company is a tax transparent entity and therefore not subject to corporate tax.

Balance sheet

Inventories

Work in progress consist of real property projects.

The project portfolio is recognized on the basis of the direct cost attributable to the projects, including interest during the project period. Where considered necessary, the projects have been written down to a lower value, and the capitalized amounts are subjected to impairment tests on a continuous basis to ensure that the assets are written down to the extent that the carrying amount exceeds the estimated net realizable value.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis to ensure that the assets are written down to the extent that the carrying amount exceeds the estimated net realizable value.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Cash at bank and in hand

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.

Corporation tax and deferred tax

From 12 December 2019 the Company is a tax transparent entity and therefore not subject to corporate tax

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Liabilities

Other liabilities are measured at net realisable value.

Financial statements 1 January – 31 December

Notes

DKK	<u>2020</u>	<u>2019</u>
2 Staff costs and incentive schemes		
Average number of full-time employees	<u>0</u>	<u>0</u>
3 Tax on loss for the year		
Current tax for the year	0	31,195,347
Deferred tax for the year	0	-221,951
Adjustment concerning previous years	<u>0</u>	<u>375,792</u>
	<u>0</u>	<u>31,349,188</u>

In 2019 current tax of the year primarily relates to taxable gain on investment properties due to conversion of the Company from an A/S to a P/S on 12 December 2019.

4 Inventories

Inventories includes capitalized interest expenses and financing costs of DKK 83,9m (2019: DKK 65,1m).

5 Cash at bank and in hand

Cash is restricted to project specific purposes, such as interest payments, project development or construction.

6 Non-current liabilities

DKK	Total debt at 31/12 2020	Outstanding debt after 5 years
Bank debt	<u>290,526,043</u>	<u>0</u>
	<u>290,526,043</u>	<u>0</u>

7 Contractual obligations, contingencies, etc.

Joint taxation

The joint taxation arrangement relates to the period before the conversion to a limited partnership.

From 1 January to 12 December 2019, the Entity participated in a Danish joint taxation arrangement, where Gateway Acquisitions ApS served as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities for the period. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

Assets charged and collateral

The assets under construction has been pledged as security for debt to banks in a total of DKK 806,5m, of which 300m has been drawn as at 31/12 2020.

Financial statements 1 January – 31 December

Notes

8 Related party disclosures

Consolidated financial statements

Rødovre City 2 P/S is part of the consolidated financial statements of The Goldman Sachs Group inc. 200 West Street, New York, N.Y. which is the smallest group in which the Company is included as a subsidiary.

The consolidated financial statements of The Goldman Sachs Inc, can be obtained by contacting the Company at the address above.

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Maria Rebbe Thomassen

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