

# Strandgade 104 ApS

Amaliegade 15,2., 1256 København K

CVR no. 37 52 96 99

## Annual report 2018

Approved at the Company's annual general meeting on 22 May 2019

Chairman:



Thomas Esben





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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 Strandgade 104 ApS for the financial year 1 January - 31 December 2018.

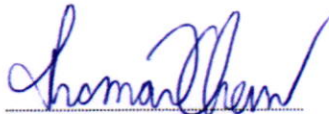
The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018.

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, 22 May 2019  
Executive Board:



Thomas Esben Khan

Board of Directors:



Gitte Vilstrup Bogers-  
Jacobsen



Mads Pauli Ringkjøbing-  
Christiansen



John Sergio Blem

## Independent auditor's report

To the shareholders of Strandgade 104 ApS

### Opinion

We have audited the financial statements of Strandgade 104 ApS for the financial year 1 January - 31 December 2018, which comprise 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 financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 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 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 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.

### 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.

### 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 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 note 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.

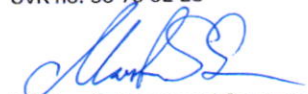
Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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 Statement Act. We did not identify any material misstatement of the Management's review.

Odense, 22 May 2019  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Morten Schougaard Sørensen  
State Authorised Public Accountant  
mne32129



## Management's review

### Company details

Name	Strandgade 104 ApS
Address, Postal code, City	Amaliegade 15, 2., 1256 København K
CVR no.	37 52 96 99
Established	10 March 2016
Registered office	København
Financial year	1 January - 31 December
Board of Directors	Gitte Vilstrup Bogers-Jacobsen Mads Pauli Ringkjøbing-Christiansen John Sergio Blem
Executive Board	Thomas Esben Khan
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Englandsgade 25, P.O. Box 200, 5100 Odense C, Denmark



## Management's review

### Business review

The company's purpose is to purchase and sell real estate.

### Recognition and measurement uncertainties

The company's property is currently empty and under development. The property is valued based on the value it was indirectly valued at when traded between independent parties in mid-2017.

Management has not identified any circumstances that have changed significantly in terms of the acquisition assumptions.

Due to the fact that the property is a project property, valuation is subject to uncertainty.

### Financial review

The income statement for 2018 shows a loss of DKK 2,202,321 against a loss of DKK 1,180,919 last year, and the balance sheet at 31 December 2018 shows equity of DKK 3,018,915.

Management considers the Company's financial performance in the year as expected.

The company is financed with loan from the parent company of DKK 23,556 thousand. The parent company has declared that it will not reclaim the loan in 2019 and that it will provide necessary funds for Strandgade 104 ApS to ensure that the company can continue its operation as a going concern in 2019.

### Events after the balance sheet date

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



## Financial statements 1 January - 31 December

### Income statement

Note	DKK	2018	2017
	Gross margin	-479,848	-529,894
	Fair value adjustment of investment property	0	2,232,751
	Research and development costs	-3,870	0
	Profit/loss before net financials	-483,718	1,702,857
	Financial expenses	-1,312,462	-3,115,147
	Profit/loss before tax	-1,796,180	-1,412,290
4	Tax for the year	-406,141	231,371
	Profit/loss for the year	<u>-2,202,321</u>	<u>-1,180,919</u>
	Recommended appropriation of profit/loss	-2,202,321	-1,180,919
	Retained earnings/accumulated loss	<u>-2,202,321</u>	<u>-1,180,919</u>





## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	<u>2018</u>	<u>2017</u>
	ASSETS		
	Fixed assets		
5	Property, plant and equipment		
	Land and buildings	38,836,253	37,328,649
		<u>38,836,253</u>	<u>37,328,649</u>
	Total fixed assets	<u>38,836,253</u>	<u>37,328,649</u>
	Non-fixed assets		
	Receivables		
	Joint taxation contribution receivable	48,009	0
	Other receivables	50,408	0
	Prepayments	4,956	0
		<u>103,373</u>	<u>0</u>
	Cash	60,873	611,066
	Total non-fixed assets	<u>164,246</u>	<u>611,066</u>
	TOTAL ASSETS	<u>39,000,499</u>	<u>37,939,715</u>

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	2018	2017
	<b>EQUITY AND LIABILITIES</b>		
	Equity		
7	Share capital	50,000	50,000
	Retained earnings	2,968,915	5,171,236
	<b>Total equity</b>	<b>3,018,915</b>	<b>5,221,236</b>
	Provisions		
	Deferred tax	2,222,278	1,768,128
	<b>Total provisions</b>	<b>2,222,278</b>	<b>1,768,128</b>
	Liabilities other than provisions		
8	Non-current liabilities other than provisions		
	Mortgage debt	9,945,000	0
		<b>9,945,000</b>	<b>0</b>
	Current liabilities other than provisions		
	Trade payables	25,782	4,949
	Payables to group enterprises	23,555,991	29,688,002
	Other payables	232,533	1,257,400
		<b>23,814,306</b>	<b>30,950,351</b>
	<b>Total liabilities other than provisions</b>	<b>33,759,306</b>	<b>30,950,351</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>39,000,499</b>	<b>37,939,715</b>

- 1 Accounting policies
- 2 Going concern uncertainties
- 3 Staff costs
- 9 Collateral

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2017	50,000	6,352,155	6,402,155
Transfer through appropriation of loss	0	-1,180,919	-1,180,919
Equity at 1 January 2018	50,000	5,171,236	5,221,236
Transfer through appropriation of loss	0	-2,202,321	-2,202,321
Equity at 31 December 2018	50,000	2,968,915	3,018,915

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Strandgade 104 ApS for 2018 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.

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

#### Basis of recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities. Moreover, all expenses are recognised in the income statement, including depreciation and amortisation.

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

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

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

#### Reporting currency

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

#### Income statement

##### Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Rental income is recognized on a straight-line basis during the rental period.

Net sales are measured at the received remuneration and are recognized exclusive of VAT and less discounts in connection with the sale.

##### Gross margin

The items revenue, property expenses, other operating income and external expenses have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

##### Property expenses

Includes costs associated with the operation and administration of investment properties, repairment and maintenance, property taxes and other expenses which are not paid by tenants.

##### Research costs

The item includes research and development costs that do not qualify for capitalisation as well as amortisation of capitalised development costs.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to property expenses, administration, etc.

##### Financial expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses, etc.

##### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

##### Balance sheet

##### Property, plant and equipment

Management believes that there have been no difficulties with the classification of the property as investment property. Rental property is valued at fair value.

The fair value reflects the price the property can be traded to between well-informed and willing parties on an independent basis at the balance sheet date. Determination of fair value implies significant accounting estimates.

Management has estimated that for the current year it has been possible to calculate fair value through comparable transactions on the market, so valuation has been based on the commercial value.

Valuation is not based on the calculation of external valuers.

The estimates used are based on historical information as well as assumptions, which management considers reasonable, but which by nature is uncertain and unpredictable.

The value adjustment for the year is recognized in the income statement.

##### Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

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.

#### 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.

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. On subsequent recognition, 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. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

#### 2 Going concern uncertainties

The company is financed with loan from the parent company of DKK 23,556 thousand. The parent company has declared that it will not reclaim the loan in 2019 and that it will provide necessary funds for Strandgade 104 ApS to ensure that the company can continue its operation as a going concern in 2019.

#### 3 Staff costs

The Company has no employees.

## Financial statements 1 January - 31 December

### Notes to the financial statements

DKK	2018	2017
4 Tax for the year		
Estimated tax charge for the year	-48,009	0
Deferred tax adjustments in the year	454,150	-231,371
	<u>406,141</u>	<u>-231,371</u>
5 Property, plant and equipment		
DKK		Land and buildings
Cost at 1 January 2018		24,095,898
Additions		1,507,604
Cost at 31 December 2018		<u>25,603,502</u>
Revaluations at 1 January 2018		13,232,751
Revaluations at 31 December 2018		<u>13,232,751</u>
Carrying amount at 31 December 2018		<u>38,836,253</u>
6 Investment property		
<p>The company's property is currently empty and under development. The property is valued based on the value it was indirectly valued at when traded between independent parties in mid-2017 and added addition in 2018.</p> <p>Management has not identified any circumstances that have changed significantly in terms of the acquisition assumptions.</p> <p>Due to the fact that the property is a project property, valuation is subject to uncertainty.</p>		
7 Share capital		
<p>The Company's share capital has remained DKK 50,000 in the past year.</p>		
8 Non-current liabilities other than provisions		
<p>Of the long-term liabilities, DKK 10,000 thousand falls due for payment after more than 5 years after the balance sheet date.</p>		
9 Collateral		
<p>The Company has not provided any security or other collateral in assets at 31 December 2018.</p>		