

# Marmorbyen Vest 1 P/S

c/o Patrizia Denmark A/S Adelgade 15, 2.  
1304 København K

CVR no. 39 19 40 74

**Annual report for the period 1 October – 31 December 2017**

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

25 January 2018

  
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chairman

**Marmorbyen Vest 1 P/S**  
Annual report 2017  
CVR no. 39 19 40 74

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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 Marmorbyen Vest 1 P/S for the financial period 1 October – 31 December 2017.

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 2017 and of the results of the Company's operations for the financial period 1 October – 31 December 2017.

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 25 January 2018

Executive Board:



Rikke Lykke

Board of Directors:



Peret Bergmann  
Chairman



Nathalie Marion-Denise  
Winkelmann



Sven Olaf Eggers



Louise Hertz



Rikke Lykke



## **Independent auditor's report**

### **To the shareholders of Marmorbyen Vest 1 P/S**

#### **Opinion**

We have audited the financial statements of Marmorbyen Vest 1 P/S for the financial period 1 October – 31 December 2017 comprising income statement, balance sheet 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 2017 and of the results of the Company's operations for the financial period 1 October – 31 December 2017 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.
- 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



## Independent auditor's report

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

Copenhagen, 25 January 2018

**KPMG**

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Michael Tuborg  
State Authorised  
Public Accountant  
MNE no. 24621

**Marmorbyen Vest 1 P/S**  
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## **Management's review**

### **Company details**

Marmorbyen Vest 1 P/S  
c/o Patrizia Denmark A/S Adelgade 15, 2.  
1304 København K

CVR no.: 39 19 40 74  
First financial year: 1 October – 31 December 2017

### **Board of Directors**

Peret Bergmann, Chairman  
Nathalie Marion-Denise Winkelmann  
Sven Olaf Eggers  
Louise Hertz  
Rikke Lykke

### **Executive Board**

Rikke Lykke

### **Auditor**

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
DK-2100 Copenhagen

### **Annual general meeting**

The annual general meeting will be held on 25 January 2018.

## **Management's review**

### **Operating review**

#### **Principal activities**

The objective of the Company is to acquire real estate properties for investment purposes.

#### **Development in the year**

The Company is incorporated in connection with the demerger of Projektselskabet Marmorbyen P/S effectively 1 October 2017. Projektselskabet Marmorbyen P/S has transferred all of its assets and liabilities to Marmorbyen Øst P/S, Marmorbyen Vest 1 P/S and Marmorbyen Vest 2 P/S.

The income statement shows a loss for the financial year of DKK 910 thousand.

At year end mortgage debt has been refinanced by long-term shareholder loan.

#### **Subsequent events**

Loan from mortgage credit institution has been obtained.

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

## Financial statements 1 October – 31 December

### Income statement

DKK'000	Note	1 Oct – 31 Dec 2017
<b>Gross profit</b>		<u>1,117</u>
<b>Profit before financial income and expenses</b>		<u>1,117</u>
Financial expenses	2	<u>-2,027</u>
<b>Loss for the year</b>		<u><u>-910</u></u>
<b>Proposed distribution of loss</b>		
Proposed dividend for the financial period		187,022
Retained earnings		<u>-187,932</u>
		<u><u>-910</u></u>



## Financial statements 1 October – 31 December

### Balance sheet

DKK'000	Note	2017
<b>ASSETS</b>		
<b>Fixed assets</b>		
<b>Property, plant and equipment</b>	3	
Investment properties		<u>306,368</u>
		306,368
<b>Total fixed assets</b>		<u>306,368</u>
<b>Receivables</b>		
Trade receivables		165
Receivables from group entities		785
Other receivables		<u>24</u>
		974
<b>Cash at bank and in hand</b>		<u>35,547</u>
<b>Total current assets</b>		<u>36,521</u>
<b>TOTAL ASSETS</b>		<u><u>342,889</u></u>

## Financial statements 1 October – 31 December

### Balance sheet

DKK'000	Note	2017
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>	4	
Share capital		500
Proposed dividends for the financial year		187,022
Retained earnings		48,676
<b>Total equity</b>		<u>236,198</u>
<b>Liabilities other than provisions</b>		
<b>Non-current liabilities other than provisions</b>		
Shareholder loan		98,536
Deposits and prepaid rent		5,515
		<u>104,051</u>
<b>Current liabilities other than provisions</b>		
Trade payables		1,916
Payables to group entities		39
Other payables		685
		<u>2,640</u>
<b>Total liabilities other than provisions</b>		<u>106,691</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>342,889</u></u>
<b>Contingent liabilities</b>	6	
<b>Related party disclosures</b>	7	

## **Financial statements 1 October – 31 December**

### **Notes**

#### **1 Accounting policies**

The annual report of Marmorbyen Vest 1 P/S for 2017 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.

### **Income statement**

#### **Gross profit**

Pursuant to section 32 of the Danish Financial Statements Act, the Company does not disclose its revenue.

The gross profit reflects an aggregation of revenue and other external expenses.

#### **Revenue**

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

#### **Other external costs**

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

#### **Financial income and expenses**

These items comprise interest income and interest expenses, realized and unrealized capital gains and losses on mortgage debt.

## **Financial statements 1 October – 31 December**

### **Notes**

#### **1 Accounting policies (continued)**

##### **Balance sheet**

###### **Investment properties**

Investment property comprises property that is held to earn rentals, held for capital appreciation or both.

Initially, investment property is measured at cost including purchase price and directly related costs. The carrying amount also includes costs for improvements if the recognition criteria are met.

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

The fair value of completed investment property is determined using a discounted cash flow (DCF). Under the DCF method, a property's fair value is 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, re-letting, redevelopment, or refurbishment.

The valuations were performed by Sadolin & Albæk, an accredited independent value with a recognised and relevant professional qualification and recent experience of the location and category of the investment property 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 October – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

##### Equity

###### *Dividends*

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected payment for the year is disclosed as a separate item under equity.

##### Corporation tax

The company is not subject to taxation. Taxable income is taxed in the parent company Ejendomsselskabet PADK M2 ApS.

##### Liabilities other than provisions

Payables to credit institutions are recognised at cost at the date of borrowing, equivalent to proceeds received less transaction costs paid.

Subsequently, these financial liabilities are measured at amortised cost.

Other liabilities are measured at net realisable value.

#### 2 Financial expenses

	1 Oct – 31 Dec 2017
DKK'000	
Interest to group entities	-29
Other financial expenses	-1,998
	<u>-2,027</u>

## Financial statements 1 October – 31 December

### Notes

#### 3 Investment properties

DKK'000	Investment properties
Cost at 1 October 2017	0
Additions	306,368
Cost at 31 December 2017	306,368
Revaluations at 1 October 2017	0
Revaluations for the year	0
Revaluations at 31 December 2017	0
<b>Carrying amount at 31 December 2017</b>	<b>306,368</b>

In valuation of the residential property located in Copenhagen an initial yield of 3.27% has been applied.

The current use of the property is considered the highest and best use.

#### Sensitivity analysis

An increase of initial yield by 0.25 percentage points would reduce the property value by DKK 23 million and a decrease in the yield by 0.25 percentage points would increase the property value by DKK 25 million at the Balance sheet date.

## Financial statements 1 October – 31 December

### Notes

#### 4 Equity

DKK'000	Share capital	Retained earnings	Proposed dividends	Total
<b>Equity at 1 October 2017</b>	500	236,608	0	237,108
Net result for the year	0	-187,932	187,022	-910
<b>Equity at 31 December 2017</b>	500	48,676	187,022	236,198

There has been no changes in the share capital since establishment of the Company.

The share capital consists of 500,000 shares of a nominal value of DKK 1. No shares carry any special rights.

#### 5 Liabilities other than provisions

DKK'000	Total debt at 31/12 2017	Outstanding debt after five years
Shareholder loan	98,536	98,536
	98,536	98,536

#### 6 Contingent liabilities

The Company is jointly liable for obligations of the demerged company Projektselskabet Marmorbyen P/S in accordance with the Danish Companies Act.

#### 7 Related party disclosures

The Company has paid DKK 10 thousand to the general partner Marmorbyen Vest 1 Komplementar ApS as compensation for its liability.