

# Marmorbyen Øst P/S

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

CVR no. 39 19 40 82

## Annual report 2019

Approved at the Company's annual general meeting on 27 May 2020

Chairman:

  
.....  
Louise Hertz





## Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Financial statements 1 January - 31 December	6
Income statement	6
Balance sheet	7
Statement of changes in equity	9
Notes to the financial statements	10

## 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 Marmorbyen Øst P/S for the financial year 1 January - 31 December 2019.

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 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019.

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, 27 May 2020  
Executive Board:



Sabina Suvalija

Board of Directors:



Louise Hertz  
Chairman



Sabina Suvalija



Klaus Alois Schmitt

## Independent auditor's report

To the shareholders of Marmorbyen Øst P/S

### Opinion

We have audited the financial statements of Marmorbyen Øst P/S for the financial year 1 January - 31 December 2019, 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 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 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.

Copenhagen, 27 May 2020  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Kaare K. Lendorf  
State Authorised Public Accountant  
mne33819

## Management's review

### Company details

Name	Marmorbyen Øst P/S
Address, Postal code, City	c/o Cobblestone A/S Gammel Køge Landevej 57, 3., 2500 Valby
CVR no.	39 19 40 82
Established	19 December 2017
Registered office	Copenhagen
Financial year	1 January - 31 December
Board of Directors	Louise Hertz, Chairman Sabina Suvalija Klaus Alois Schmitt
Executive Board	Sabina Suvalija
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

### Management commentary

#### Business review

The object of the company is to invest in real estate, including buying and and selling real estate.

#### Financial review

The income statement for 2019 shows a profit of DKK 19,860,130 against a profit of DKK 65,379,785 last year, and the balance sheet at 31 December 2019 shows equity of DKK 306,895,734.

#### Events after the balance sheet date

The coronavirus outbreak (COVID-19) has had a significant impact on the world economy in the beginning of 2020.

The COVID-19 outbreak might have a potential effect on the Company's business processes and the valuation of investment properties.

The company's realized results are generally in line with the expectations for Q1 2020.

Furthermore, no other 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	2019	2018
	Revenue	24,681,800	23,881,557
	Expenses, property	-4,574,999	-4,229,276
	Other external expenses	-3,368,250	-2,803,666
	Gross profit	16,738,551	16,848,615
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-47,625	-47,116
	Operating profit before fair value adjustments	16,690,926	16,801,499
	Fair value adjustment of investment property	5,960,000	51,199,181
	Profit before net financials	22,650,926	68,000,680
3	Financial expenses	-2,790,796	-2,620,895
	Profit for the year	<u>19,860,130</u>	<u>65,379,785</u>
	Recommended appropriation of profit		
	Retained earnings	<u>19,860,130</u>	<u>65,379,785</u>
		<u>19,860,130</u>	<u>65,379,785</u>

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	<u>2019</u>	<u>2018</u>
	ASSETS		
	Fixed assets		
4	Property, plant and equipment		
5	Investment property	652,000,000	646,040,000
	Plant and machinery	47,625	95,249
		<u>652,047,625</u>	<u>646,135,249</u>
	Total fixed assets	<u>652,047,625</u>	<u>646,135,249</u>
	Non-fixed assets		
	Receivables		
	Receivables from group enterprises	9,794,354	9,794,250
	Other receivables	0	33,491
	Prepayments	133,025	0
		<u>9,927,379</u>	<u>9,827,741</u>
	Cash	<u>11,494,280</u>	<u>16,184,247</u>
	Total non-fixed assets	<u>21,421,659</u>	<u>26,011,988</u>
	TOTAL ASSETS	<u><u>673,469,284</u></u>	<u><u>672,147,237</u></u>



## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	2019	2018
	<b>EQUITY AND LIABILITIES</b>		
	Equity		
	Share capital	500,000	500,000
	Retained earnings	306,395,734	305,435,604
	<b>Total equity</b>	<b>306,895,734</b>	<b>305,935,604</b>
	Liabilities other than provisions		
6	Non-current liabilities other than provisions		
	Mortgage debt	354,644,970	354,657,082
	Deposits	6,430,964	6,155,498
		<b>361,075,934</b>	<b>360,812,580</b>
	Current liabilities other than provisions		
6	Short-term part of long-term liabilities other than provisions	79,323	79,408
	Trade payables	271,966	213,217
	Payables to group enterprises	126,924	0
	Other payables	1,367,318	902,986
	Deferred income	3,652,085	4,203,442
		<b>5,497,616</b>	<b>5,399,053</b>
	<b>Total liabilities other than provisions</b>	<b>366,573,550</b>	<b>366,211,633</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>673,469,284</b>	<b>672,147,237</b>

- 1 Accounting policies
- 2 Staff costs
- 7 Collateral
- 8 Related parties

## Financial statements 1 January - 31 December

## Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2019	500,000	305,435,604	305,935,604
Transfer through appropriation of profit	0	19,860,130	19,860,130
Dividend distributed	0	-18,900,000	-18,900,000
Equity at 31 December 2019	<u>500,000</u>	<u>306,395,734</u>	<u>306,895,734</u>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Marmorbyen Øst P/S for 2019 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.

#### Reporting currency

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

#### 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

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

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 as earned.

Costs relating to 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 term is the non cancellable period of the lease together with any further term for which the lessee has the option to continue the lease, where, at the inception of the lease, Management is reasonably certain that the lessee will exercise that option.

Amounts received from lessees to terminate leases or to compensate for dilapidations are recognised in the income statement as received.

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

Income arising from expenses recharged to lessees is recognised in the period in which the expenses can be contractually recovered. Service charges and other such receipts are included gross of the related costs in revenue, when management considers that the Group acts as agent.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Property expenses

Property expenses include expenses relating to renting out the Company's investment property, including expenses relating to running and maintaining such property.

##### Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

##### Depreciation

The item comprises depreciation of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Plant and machinery	5 years
---------------------	---------

Plant and machinery have an expected residual value of 0.

##### 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, etc.

##### Tax

The financial statement do not include tax as the individual limited partners include results from the limited partnership in their income statements.

### Balance sheet

#### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

#### 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 the item "Fair value adjustment of investment property". The fair value is based on the expected future cash flows for the investment property.



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Receivables

Receivables are measured at amortised cost.

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

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.

##### Payables to credit institutions

Mortgage debt is recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, mortgage debt is measured at amortised cost, using the effective interest rate method. Borrowing costs, including capital losses, are recognised as financing costs in the income statement over the term of the loan.

##### Other payables

Other payables are measured at net realisable value.

##### Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Fair value

The fair value measurement is based on the principal market. If no principal market exists, the measurement is based on the most advantageous market, i.e. the market that maximises the price of the asset or liability less transaction and/or transport costs.

All assets and liabilities which are measured at fair value, or whose fair value is disclosed, are classified based on the fair value hierarchy, see below:

Level 1: Value in an active market for similar assets/liabilities

Level 2: Value based on recognised valuation methods on the basis of observable market information

Level 3: Value based on recognised valuation methods and reasonable estimates (non-observable market information).

#### 2 Staff costs

The Company has no employees.

DKK	2019	2018
3 Financial expenses		
Interest expenses, mortgage debt	2,659,122	2,517,669
Other financial expenses	131,674	103,226
	<u>2,790,796</u>	<u>2,620,895</u>

#### 4 Property, plant and equipment

DKK	Investment property	Plant and machinery	Total
Cost at 1 January 2019	594,840,819	236,851	595,077,670
Cost at 31 December 2019	594,840,819	236,851	595,077,670
Revaluations at 1 January 2019	51,199,181	0	51,199,181
Value adjustments for the year	5,960,000	0	5,960,000
Revaluations at 31 December 2019	57,159,181	0	57,159,181
Impairment losses and depreciation at 1 January 2019	0	141,602	141,602
Depreciation	0	47,624	47,624
Impairment losses and depreciation at 31 December 2019	0	189,226	189,226
Carrying amount at 31 December 2019	<u>652,000,000</u>	<u>47,625</u>	<u>652,047,625</u>

Note 7 provides more details on security for loans, etc. as regards property, plant and equipment.

## Financial statements 1 January - 31 December

## Notes to the financial statements

## 5 Investment property

The Company 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 fair value is based on a level 3 assesment. The fair value of investment property has been estimated for every single property by discounting the expected, future cash flows, using a relevant discount factor. Expected future cash flows are based on budgets, approved by management, for the coming 10 year period and an estimated terminal value for the remaining life of the property concerned. The discount factor comprises the risk-free interest rate and a risk premium for the property concerned.

Independent valuers are consulted for purposes of estimating the fair values.

The fair value of investment properties has been estimated to DKK 652,000,000.

The most significant fair value assumptions are:

Discount rate: 5.05%

Initial rate: 2.8%

Average residential rent: DKK 1,831 per sqm.

Average commercial rent: DKK 1,594 per sqm.

Maintenance costs residential units: DKK 50 per sqm.

Maintenance costs commercial units: DKK 50 per sqm.

## 6 Non-current liabilities other than provisions

Of the long-term liabilities, DKK 341,976,152 falls due for payment after more than 5 years after the balance sheet date.

## 7 Collateral

As security for the Company's debt to the credit institutions, the Company has provided security in its assets, with a carrying amount of DKK 652,000,000.

## 8 Related parties

## Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the share capital:

Name	Domicile
Ejendomsselskabet PADK M1 ApS	Gammel Køge Landevej 57, 3., 2500 Valby