

AC MEYERS VÆNGE, KØBENHAVN ApS

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

CVR no. 35 86 57 72

Annual report 2023

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

22 May 2024

Emil Skov

Chairman of the annual general meeting

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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 for AC MEYERS VÆNGE, KØBENHAVN ApS for the financial year 1 January - 31 December 2023.

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 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

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 2024

Executive Board:

Anders Skovgaard Klingbeil

Board of Directors:

Peter Matzen Drachmann
Chairman

Anders Skovgaard Klingbeil

Nathalie Marion-Denise
Winkelmann

Albert Cornelius Tol



Independent auditor's report

To the shareholder of AC MEYERS VÆNGE, KØBENHAVN ApS

Opinion

We have audited the financial statements of AC MEYERS VÆNGE, KØBENHAVN ApS for the financial year 1 January - 31 December 2023, comprising 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 Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 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' International 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.

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 financial statement 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.



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 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, 22 May 2024

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Henrik Y. Jensen
State Authorised Public Accountant
mne35442

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Management's review

Company details

AC MEYERS VÆNGE, KØBENHAVN ApS
c/o Patrizia Denmark A/S
Adelgade 15, 2.
DK-1304 København K

CVR no.: 35 86 57 72
Established: 4 June 2014
Registered office: København
Financial year: 1 January - 31 December

Board of Directors

Peter Matzen Drachmann, Chairman
Anders Skovgaard Klingbeil
Nathalie Marion-Denise Winkelmann
Albert Cornelius Tol

Executive Board

Anders Skovgaard Klingbeil

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 København Ø
CVR no. 25 57 81 98

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Management's review

Operating review

Principal activities

The objective of the Company is to engage in project development including execution of building projects, and to hold and sell real estate, and other associated business activities.

Development in activities and financial position

The Company's income statement for 2023 shows a profit of DKK 33,371 thousand as against a profit of DKK 60,077 thousand in 2022. Equity in the Company's balance sheet at 31 December 2023 stood at DKK 213,977 thousand as against DKK 195,106 thousand at 31 December 2022.

The financial year was in line with forecast, and results for the year are considered satisfactory.

Events after the balance sheet date

No events have occurred after the balance sheet date of material importance to the annual report for 2023.

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Income statement

DKK'000	Note	2023	2022
Gross profit		23,425	26,840
Gains from fair value adjustments of investment property		35,000	61,401
Other financial income		833	56
Other financial expenses	3	-12,309	-12,405
Profit before tax		46,949	75,892
Tax on profit for the year	4	-13,578	-15,815
Profit for the year		<u>33,371</u>	<u>60,077</u>
Proposed profit appropriation			
Extraordinary dividends distributed in the year		14,500	7,900
Retained earnings		<u>18,871</u>	<u>52,177</u>
		<u>33,371</u>	<u>60,077</u>

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Balance sheet

DKK'000	Note	31/12 2023	31/12 2022
ASSETS			
Fixed assets			
Property, plant and equipment			
Investment property	5	741,000	706,000
Total fixed assets		<u>741,000</u>	<u>706,000</u>
Current assets			
Receivables			
Receivables from group entities		368	367
Other receivables		128	403
		<u>496</u>	<u>770</u>
Cash at bank and in hand		<u>30,116</u>	<u>28,641</u>
Total current assets		<u>30,612</u>	<u>29,411</u>
TOTAL ASSETS		<u>771,612</u>	<u>735,411</u>

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Balance sheet

DKK'000	Note	31/12 2023	31/12 2022
EQUITY AND LIABILITIES			
Equity			
Contributed capital		61	61
Retained earnings		213,916	195,045
Total equity		<u>213,977</u>	<u>195,106</u>
Provisions			
Provisions for deferred tax		40,850	32,945
Total provisions		<u>40,850</u>	<u>32,945</u>
Liabilities other than provisions			
Non-current liabilities other than provisions			
Mortgage debt	6	297,397	297,373
Payables to group entities		194,000	194,000
		<u>491,397</u>	<u>491,373</u>
Current liabilities other than provisions			
Trade payables		2,532	915
Payables to group entities	6	5,335	0
Corporation tax		5,497	3,127
Deposits		11,516	11,760
Other payables, including taxes payable		508	185
		<u>25,388</u>	<u>15,987</u>
Total liabilities other than provisions		<u>516,785</u>	<u>507,360</u>
TOTAL EQUITY AND LIABILITIES		<u>771,612</u>	<u>735,411</u>

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Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Proposed dividends for the financial year	Total
Equity at 1 January 2023	61	195,045	0	195,106
Transferred over the profit appropriation	0	18,871	14,500	33,371
Extraordinary dividend paid	0	0	-14,500	-14,500
Equity at 31 December 2023	61	213,916	0	213,977

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1 Accounting policies

The annual report of AC MEYERS VÆNGE, KØBENHAVN ApS for 2023 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.

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

Income statement

Revenue

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

Other external costs

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

Financial income and expenses

Financial income and expenses comprise interest income and expenses.

Tax on profit for the year

Tax for the year comprises current tax for the year and the changes in deferred tax, and it is recognised in the income statement with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The Company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group entities. The Company acts as administration company in relation to the joint taxation. This means that the total Danish tax payable of the income of the Danish consolidated companies is paid to the tax authorities by the Company.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

Balance sheet

Property, plant and equipment

Investment properties comprises properties that is held to earn rentals, held for capital appreciation or both. Initially, investment properties are 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 properties are stated at fair value. Gains and losses arising from changes in the fair values are included in the income statement in the year which they arise.

The properties are valued using the income capitalization method where a property's fair value is estimated based on the normalized net operating income generated by the property, which is divided by the capitalization rate. The calculated value is adjusted with expected future change in rental value, voids, capital

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1 Accounting policies

expenses and other special circumstances.

The valuation was performed by CBRE, an accredited and independent valuer with recognized and relevant professional qualifications and recent experience of the location and category of investment properties being valued. The valuation model applied is in accordance with the recommended by the International Valuation Standards Committee. These valuations models are consistent with the principles in IFRS 13.

Investment properties is not depreciated.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognized in the income statement as other operating income or other operating costs, respectively.

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.

Cash at bank and in hand

Cash at bank and in hand comprise cash and bank deposits.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences relating to office buildings non-deductible for tax purposes and other items where temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; 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. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with 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. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

Mortgage loans and construction loans are measured at amortised costs.

Other liabilities are measured at amortised cost.

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2 Staff costs

DKK'000	2023	2022
Average number of full-time employees	<u>0</u>	<u>0</u>

3 Other financial expenses

DKK'000	2023	2022
Interest paid to group entities	10,670	10,670
Other interest expenses	<u>1,639</u>	<u>1,735</u>
	<u>12,309</u>	<u>12,405</u>

4 Tax on profit for the year

DKK'000	2023	2022
Current tax for the year	2,424	1,859
Deferred tax adjustment for the year	7,905	13,956
Adjustment of tax concerning previous years	<u>3,249</u>	<u>0</u>
	<u>13,578</u>	<u>15,815</u>

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5 Property, plant and equipment

DKK'000	Investment property
Cost at 1 January 2023	570,251
Cost at 31 December 2023	570,251
Revaluations at 1 January 2023	135,749
Reversals for the year of revaluations in previous years	35,000
Revaluations at 31 December 2023	170,749
Carrying amount at 31 December 2023	741,000

Key assumptions:

The mixed-use property is located in South Harbour, Copenhagen, totalling a lettable area of 18,875 sqm for residential purposes and a lettable area of 8,223 sqm for commercial purposes.

As opposed to previous years, the valuation of residential areas is based on a Divestment model as highest and best use with an weighted exit yield of 5.10% assuming disposal of flats as they are vacated (churn rate of 10%). The current use is hold for renting.

Fair value based on a Buy and hold model is DKK 650 million applying a weighted exit yield of 4.27% at financial year end 2023 (2022: DKK 706 million and a yield of 3.70%).

The fair value of the investment property is based on a valuation by an independent valuer.

Sensitivity analysis:

An increase of the exit yield by 0.25 percentage points would reduce the property value by DKK 34 million. A decrease in the exit yield by 0.25 percentage points would increase the property value by DKK 38 million at the balance sheet date.

6 Non-current liabilities other than provisions

DKK'000	31/12 2023	31/12 2022
Mortgage debt:		
>5 year	297,397	297,373
	<u>297,397</u>	<u>297,373</u>
Payables to group entities:		
0-1 year	5,335	0
>5 year	194,000	194,000
	<u>199,335</u>	<u>194,000</u>
Total financial debts	<u>496,732</u>	<u>491,373</u>

The financial debts are recognized in the balance sheet as follows:

Long-term debt	491,397	491,373
Short-term debt	5,335	0
	<u>496,732</u>	<u>491,373</u>

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7 Mortgages and collateral

Investment properties with a carrying amount of DKK 741 million at 31 December 2023 have been provided as collateral for mortgages of DKK 297 million.