

Rævegade-Strandgade Holding ApS

Kalvebod Brygge 39, 4., 1560 København V

CVR no. 38 68 48 25

Annual report 2020

Approved at the Company's annual general meeting on 28 May 2021

Chair of the meeting:

.....
Thomas Khan





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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 Rævegade-Strandgade Holding ApS for the financial year 1 January - 31 December 2020.

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 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, 28 May 2021
Executive Board:

.....
Thomas Esben Khan

Board of Directors:

.....
Peter Kreiner

.....
Mads Pauli Ringkjøbing-
Christiansen

.....
John Sergio Blem

Independent auditor's report

To the shareholders of Rævegade-Strandgade Holding ApS

Opinion

We have audited the financial statements of Rævegade-Strandgade Holding ApS for the financial year 1 January - 31 December 2020, 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 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.

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, 28 May 2021
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Morten Schougaard Sørensen
State Authorised Public Accountant
mne32129



Management's review

Company details

Name	Rævegade-Strandgade Holding ApS
Address, Postal code, City	c/o SF M ApS Kalvebod Brygge 39, 4., 1560 København V
CVR no.	38 68 48 25
Established	2 June 2017
Registered office	København
Financial year	1 January - 31 December
Board of Directors	Peter Kreiner Mads Pauli Ringkjøbing-Christiansen John Sergio Blem
Executive Board	Thomas Esben Khan
Auditors	EY 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 consists of a residential property and a townhouse under development and a property under development held by the subsidiary. The townhouse under development is valued on the basis of the estimated sales price less estimated development cost. The residential property is valued at a yield of 4,00%

The property under development in the subsidiary Strandgade 104 ApS is valued at the purchase price in 2017 added cost for development until now. This is the best estimated market value based on development plans.

Due to the fact that parts of the property is a project property, the valuation as subject to more uncertainty than usual.

Financial review

The income statement for 2020 shows a profit of DKK 634,385 against a profit of DKK 741,684 last year, and the balance sheet at 31 December 2020 shows equity of DKK 43,215,928.

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	2020	2019
	Gross profit	914,518	204,577
	Fair value adjustment of investment property	430,556	2,877,500
	Profit before net financials	1,345,074	3,082,077
	Income from investments in group enterprises	-641,123	-860,963
3	Financial income	542,063	1,238,786
4	Financial expenses	-251,870	-2,215,982
	Profit before tax	994,144	1,243,918
5	Tax for the year	-359,759	-502,234
	Profit for the year	634,385	741,684
	Recommended appropriation of profit		
	Retained earnings	634,385	741,684
		634,385	741,684

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2020	2019
	ASSETS		
	Fixed assets		
6	Property, plant and equipment		
	Investment property	40,900,000	40,300,000
		40,900,000	40,300,000
7	Investments		
	Investments in group enterprises	1,516,828	2,157,951
		1,516,828	2,157,951
	Total fixed assets	42,416,828	42,457,951
	Non-fixed assets		
	Receivables from group enterprises	27,761,980	26,254,197
	Other receivables	13,477	0
	Prepayments	5,672	16,607
		27,781,129	26,270,804
	Cash	0	552,344
	Total non-fixed assets	27,781,129	26,823,148
	TOTAL ASSETS	70,197,957	69,281,099

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2020	2019
	EQUITY AND LIABILITIES		
	Equity		
8	Share capital	84,003	84,003
	Retained earnings	43,131,925	42,497,540
	Total equity	43,215,928	42,581,543
	Provisions		
	Deferred tax	1,030,064	751,493
	Total provisions	1,030,064	751,493
	Liabilities other than provisions		
	Non-current liabilities other than provisions		
	Mortgage debt	22,125,000	22,225,000
	Deposits	373,659	371,139
		22,498,659	22,596,139
	Current liabilities other than provisions		
	Bank debt	322,325	0
	Trade payables	25,300	136,817
	Joint taxation contribution payable	81,188	0
	Payables to shareholders and management	2,994,977	3,034,290
	Other payables	29,516	180,817
		3,453,306	3,351,924
		25,951,965	25,948,063
	TOTAL EQUITY AND LIABILITIES	70,197,957	69,281,099

- 1 Accounting policies
- 2 Staff costs
- 9 Contractual obligations and contingencies, etc.
- 10 Collateral

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2019	81,003	11,758,856	11,839,859
Capital increase 10/12-2019	3,000	29,997,000	30,000,000
Transfer through appropriation of profit	0	741,684	741,684
Equity at 1 January 2020	84,003	42,497,540	42,581,543
Transfer through appropriation of profit	0	634,385	634,385
Equity at 31 December 2020	84,003	43,131,925	43,215,928

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Rævegade-Strandgade Holding ApS for 2020 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.

Effective from the financial year 2020, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed a requirement for further disclosures. 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).

Income statement

Revenue

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 profit

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.

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.

Profit/loss from investments in subsidiaries

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

The item includes dividend received from subsidiaries.

Financial income and 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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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

Investment property

Management believes that there have been no difficulties with the classification of the property as investment property. Investment 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.

Investments in subsidiaries

Equity investments in subsidiaries and associates are measured according to the equity method.

On initial recognition, equity investments in subsidiaries are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Dividend received is deducted from the carrying amount.

Equity investments in subsidiaries measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

Financial statements 1 January - 31 December

Notes to the financial statements

2 Staff costs

The Company has no employees.

DKK	2020	2019
3 Financial income		
Interest receivable, group entities	534,814	1,238,786
Other financial income	7,249	0
	<u>542,063</u>	<u>1,238,786</u>
4 Financial expenses		
Interest expenses, group entities	57,354	1,267,989
Other financial expenses	194,516	947,993
	<u>251,870</u>	<u>2,215,982</u>
5 Tax for the year		
Estimated tax charge for the year	81,188	0
Deferred tax adjustments in the year	278,571	502,234
	<u>359,759</u>	<u>502,234</u>

6 Property, plant and equipment

DKK	Investment property
Cost at 1 January 2020	36,530,558
Additions	169,444
Cost at 31 December 2020	<u>36,700,002</u>
Revaluations at 1 January 2020	3,769,442
Value adjustments for the year	430,556
Revaluations at 31 December 2020	<u>4,199,998</u>
Carrying amount at 31 December 2020	<u>40,900,000</u>

The valuation is based on an yield of 4,00%for the residential property. If valuation was based on 3,75%the value would increase with DKK 1,910 thousand and if based on 4,25%the value would decrease with DKK 1,700 thousand. The earnings used for the valuation is the estimated rent and cost on a normalised basis. This property represents app. 70 %of the total value.

The townhouse under development is valued based on estimated sales price less estimated cost for development. Due to the fact that the property is under development the valuation is subject to uncertainty. This property represents app. 30 %of the total value.

Financial statements 1 January - 31 December

Notes to the financial statements

7 Investments

	Investments in group enterprises
DKK	
Cost at 1 January 2020	5,117,030
Cost at 31 December 2020	5,117,030
Value adjustments at 1 January 2020	-2,959,079
Profit/loss for the year	-641,123
Value adjustments at 31 December 2020	-3,600,202
Carrying amount at 31 December 2020	1,516,828

Name	Domicile	Interest	Equity DKK	Profit/loss DKK
Subsidiaries				
Strandgade 104 ApS	København	100.00%	1,516,828	-641,123

8 Share capital

Analysis of changes in the share capital over the past 3 years:

DKK	2020	2019	2018
Opening balance	84,003	81,003	81,003
Capital increase	0	3,000	0
	84,003	84,003	81,003

9 Contractual obligations and contingencies, etc.

Contingent liabilities

The company has provided a letter of support to the subsidiary Strandgade 104 ApS.

Other contingent liabilities

As management company, the Company is jointly taxed with other Danish group entities and is jointly and severally with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends.

10 Collateral

As security for the Company's debt to banks, DKK 22,447,325, the Company has provided security in its assets for at total amount of DKK 40,900,000.

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The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

Thomas Esben Khan

Executive Board

On behalf of: the company

Serial number: PID:9208-2002-2-226044767924

IP: 5.103.xxx.xxx

2021-06-04 14:10:46Z

NEM ID 

Thomas Esben Khan

Chairman

On behalf of: the company

Serial number: PID:9208-2002-2-226044767924

IP: 5.103.xxx.xxx

2021-06-04 14:10:46Z

NEM ID 

Mads Pauli Ringkjøbing-Christiansen

Board of Directors

On behalf of: the company

Serial number: PID:9208-2002-2-776789291089

IP: 212.10.xxx.xxx

2021-06-05 05:59:35Z

NEM ID 

John Sergio Blem

Board of Directors

On behalf of: the company

Serial number: PID:9208-2002-2-976839422741

IP: 178.155.xxx.xxx

2021-06-06 18:27:08Z

NEM ID 

Peter Kreiner

Board of Directors

On behalf of: the company

Serial number: PID:9208-2002-2-740516036677

IP: 77.241.xxx.xxx

2021-06-08 15:33:22Z

NEM ID 

Morten Schougaard Soerensen

State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: CVR:30700228-RID:40820229

IP: 145.62.xxx.xxx

2021-06-08 15:36:37Z

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