

Ejendomsselskabet PADK-1 ApS

c/o PATRIZIA Denmark, Adelgade 15, 2.
1304 København K

CVR no. 37 78 31 96

Annual report for the period 8 June – 31 December 2016

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

18 April 2017



chairman

Ejendomsselskabet PADK-1 ApS
Annual report 2016
CVR no. 37 78 31 96

Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	6
Company details	6
Operating review	7
Financial statements 8 June – 31 December	
Income statement	8
Balance sheet	9
Notes	11

Ejendomsselskabet PADK-1 ApS
Annual report 2016
CVR no. 37 78 31 96

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 Ejendomsselskabet PADK-1 ApS for the financial period 8 June – 31 December 2016.

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

It is our opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations for the financial period 8 June – 31 December 2016 in accordance with the Danish Financial Statements Act.

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 18 April 2017
Executive Board:



Rikke Lykke

Board of Directors:



Rikke Lykke



Kester Nehls



Independent auditor's report

To the shareholders of Ejendomsselskabet PADK-1 ApS

Opinion

We have audited the financial statements of Ejendomsselskabet PADK-1 ApS for the financial period 8 June – 31 December 2016 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 2016, and of the results of the Company's operations for the financial period 8 June – 31 December 2016 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.



Independent auditor's report

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 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.



Independent auditor's report

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, 18 April 2017

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Michael Tuborg
State Authorised
Public Accountant

Ejendomsselskabet PADK-1 ApS
Annual report 2016
CVR no. 37 78 31 96

Management's review

Company details

Ejendomsselskabet PADK-1 ApS
c/o PATRIZIA Denmark, Adelgade 15, 2.
1304 København K

CVR no.:	37 78 31 96
Established:	8 June 2016
Registered office:	Copenhagen
Financial period:	8 June – 31 December

Board of Directors

Rikke Lykke,
Kester Nehls

Executive Board

Rikke Lykke

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 Copenhagen

Management's review

Operating review

Principal activities of the Company

The objects of the company are to serve as acquisition company for an alternative investment fund, exclusively to acquire and possess shares in subsidiaries.

The Company may conduct all activities that are required for, or conducive or relating to, achieving such objects.

Development in activities and financial position

In the financial year 2016, the Company has entered into a purchase agreement to acquire the shares in Teglbroen P/S and Komplementarselskabet Teglbroen ApS.

The Company will according to the agreement take over the shares upon completion of the development project from the sellers.

Significant events after the end of the financial year

There have been no significant events after the end of the financial year.

Financial statements 8 June – 31 December

Income statement

	Note	8 Jun 2016 – 31 Dec 2016
DKK		
Other external costs		<u>-29,616</u>
Gross loss		<u>-29,616</u>
Operating loss		-29,616
Financial income		235,656
Financial expenses		<u>-2,754</u>
Profit before tax		203,286
Tax on profit for the year		<u>-44,722</u>
Profit for the year		<u>158,564</u>
Proposed profit appropriation		
Retained earnings		<u>158,564</u>
		<u>158,564</u>

Financial statements 8 June – 31 December

Balance sheet

DKK	Note	<u>2016</u>
ASSETS		
Non-current assets		
Investments		
Other receivables		4,403,522
Deposits		<u>50,000,000</u>
		<u>54,403,522</u>
Total non-current assets		<u>54,403,522</u>
Current assets		
Receivables		
Other receivables		<u>235,656</u>
		<u>235,656</u>
Cash at bank and in hand		<u>5,225,808</u>
Total current assets		<u>5,461,464</u>
TOTAL ASSETS		<u><u>59,864,986</u></u>

Ejendomselskabet PADK-1 ApS
Annual report 2016
CVR no. 37 78 31 96

Financial statements 8 June – 31 December

Balance sheet

DKK	Note	8 Jun 2016 – 31 Dec 2016
EQUITY AND LIABILITIES		
Equity	2	
Share capital		50,000
Retained earnings		<u>158,564</u>
Total equity		<u>208,564</u>
Liabilities other than provisions		
Current liabilities other than provisions		
Payables to shareholder	3	57,430,000
Other payables, including taxes payable		<u>2,226,422</u>
		<u>59,656,422</u>
Total liabilities other than provisions		<u>59,656,422</u>
TOTAL EQUITY AND LIABILITIES		<u>59,864,986</u>
Contractual obligations, contingencies, etc.	4	
Related party disclosures	5	

Financial statements 8 June – 31 December

Notes

1 Accounting policies

The annual report of Ejendomsselskabet PADK-1 ApS for the period 2016 has been prepared in accordance with the provisions applying to reporting class B under the Danish Financial Statements Act.

No comparative figures have been included as 2016 is the first financial year.

Income statement

Other external costs

Other external costs comprise cost related to administration.

Financial income and expenses

Financial income and expenses comprise interest income and expense.

Tax on profit/loss for the year

Tax for the year comprises current corporation tax for the year. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Other receivables

Other receivables comprise acquisition costs related to the acquisition of shares in Teglbroen P/S and Komplementarselskabet Teglbroen ApS. Reference is made to note 3 "Contractual obligations".

Other receivables are measured at cost. In case of indication of impairment, an impairment test is conducted. When the cost exceeds the recoverable amount, write-down is made to the lower value.

Cash and cash equivalents

Cash and cash equivalents comprise cash.

Financial statements 8 June – 31 December

Notes

1 Accounting policies (continued)

Equity

Dividend

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

Liabilities other than provisions

Other liabilities are measured at amortised cost which normally equals to net realisable value.

Corporation 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.

Financial statements 8 June – 31 December

Notes

2 Equity

DKK	Share capital	Retained earnings	Total
Equity at 8 June 2016	50,000	0	50,000
Profit for the year	0	158,564	158,564
Equity at 31 December 2016	50,000	158,564	208,564

The changes in the share capital for the past 5 years can be specified as follows:

	2016
Capital increase by incorporation	50,000
	50,000

The share capital consists of 50,000 shares of a nominal value of DKK 1 each.

All shares rank equally.

3 Payables to shareholder

In 2016, the Company has made an interest free facility agreement with the shareholder. In accordance with the agreement, the total facility amounts to DKK 100 million. At 31 December 2016, the Company has drawn DKK 57.43 million of the facility. At the closing date, which is expectedly in October 2017, payables to the shareholder will be converted into equity as a capital increase.

4 Contractual obligations and contingencies, etc.

Contractual obligations

The Company has in 2016 entered into a purchase agreement to acquire the shares in Teglbroen P/S and Komplementarselskabet Teglbroen ApS. The partnership company is the registered owner of title no. 434a Kongens Enghave, København situated at Dieselvej 10, 2450 Copenhagen SV. The partnership company has entered into a turnkey contract obligating the turnkey contractor to perform the construction of 177 owners' occupied flats for residential purpose as the common development of the property in general to be delivered to the partnership company as a turnkey project. The Company will takeover the shares upon completion of the development project from the sellers when the sellers have concluded the construction hereof, expectedly by October 2017.

The Company has deposited DKK 50 million as security for the Buyer's fulfilment of its obligations under the Purchase Agreement.

Ejendomsselskabet PADK-1 ApS
Annual report 2016
CVR no. 37 78 31 96

Financial statements 8 June – 31 December

Notes

Contingent liabilities

There are no contingent liabilities at the balance sheet date.

5 Related party disclosures

Ownership

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

Nordic Residential S.á r.l.
6 Place de Nancy,
2212 Luxembourg