
Blok C2 ApS

Adelgade 15, 2., DK-1304 Copenhagen K

Annual Report for
1 July 2021 - 31 December 2022

CVR No. 38 25 21 43

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 17/5 2023

Emil Skov
Chairman of the
general meeting



Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's statement	1
Independent Auditor's report	2
Company information	
Company information	4
Financial Statements	
Income statement 1 July - 31 December	5
Balance sheet 31 December	6
Statement of changes in equity	8
Notes to the Financial Statements	9

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Financial Statements of Blok C2 ApS for the financial year 1 July 2021 - 31 December 2022.

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 at 31 December 2022 of the Company and of the results of the Company operations for 2021/22.

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Copenhagen K, 17 May 2023

Executive Board

Anders Skovgaard Klingbeil
CEO

Board of Directors

Peter Matzen Drachmann
Chairman

Linda Bradaia

Anders Skovgaard Klingbeil

Albert Cornelis Tol

Independent Auditor's report

To the shareholder of Blok C2 ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 July 2021 - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Blok C2 ApS for the financial year 1 July 2021 - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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 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 about 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 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 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.

Independent Auditor's report

- 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.

Hellerup, 17 May 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Morten Jørgensen

State Authorised Public Accountant

mne32806

Qasam Hussain

State Authorised Public Accountant

mne44159

Company information

The Company	Blok C2 ApS Adelgade 15, 2. DK-1304 Copenhagen K CVR No: 38 25 21 43 Financial period: 1 July 2021 - 31 December 2022 Incorporated: 29 November 2016 Financial year: 6th financial year Municipality of reg. office: Copenhagen
Board of Directors	Peter Matzen Drachmann, chairman Linda Bradaia Anders Skovgaard Klingbeil Albert Cornelis Tol
Executive board	Anders Skovgaard Klingbeil
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup

Income statement 1 July 2021 - 31 December 2022

	Note	2021/22 TDKK 18 months	2020/21 TDKK 12 months
Gross profit/loss before value adjustments		7,847	-431
Value adjustments of assets held for investment		109,693	0
Gross profit/loss after value adjustments		117,540	-431
Staff expenses	2	0	-8
Profit/loss before financial income and expenses		117,540	-439
Financial expenses	3	-4,394	-232
Profit/loss before tax		113,146	-671
Tax on profit/loss for the year	4	-24,990	128
Net profit/loss for the year		88,156	-543

Distribution of profit

	2021/22 TDKK	2020/21 TDKK
Proposed distribution of profit		
Retained earnings	88,156	-543
	88,156	-543

Balance sheet 31 December 2022

Assets

	Note	2021/22 TDKK	2020/21 TDKK
Investment properties		258,000	0
Property, plant and equipment in progress		0	143,014
Property, plant and equipment	5	<u>258,000</u>	<u>143,014</u>
Investments in associates	6	0	0
Fixed asset investments		<u>0</u>	<u>0</u>
Fixed assets		<u>258,000</u>	<u>143,014</u>
Receivables from group enterprises		2,101	0
Other receivables		18,390	1,293
Deferred tax asset		0	128
Corporation tax		0	4
Prepayments		1,639	0
Receivables		<u>22,130</u>	<u>1,425</u>
Cash at bank and in hand		<u>8,579</u>	<u>18,724</u>
Current assets		<u>30,709</u>	<u>20,149</u>
Assets		<u>288,709</u>	<u>163,163</u>

Balance sheet 31 December 2022

Liabilities and equity

	Note	2021/22 TDKK	2020/21 TDKK
Share capital		60	50
Reserve for hedging transactions		14,395	0
Retained earnings		95,990	5,944
Equity		110,445	5,994
Provision for deferred tax		24,132	0
Provisions		24,132	0
Mortgage loans		90,451	89,412
Payables to group enterprises		51,044	0
Deposits		4,074	0
Long-term debt	7	145,569	89,412
Trade payables		559	5,373
Payables to owners and Management		0	715
Corporation tax		4,867	0
Other payables		3,050	61,669
Deferred income		87	0
Short-term debt		8,563	67,757
Debt		154,132	157,169
Liabilities and equity		288,709	163,163
Key activities	1		
Contingent assets, liabilities and other financial obligations	8		
Related parties	9		
Accounting Policies	10		

Statement of changes in equity

	Share capital	Share premium account	Reserve for hedging transactions	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 July	50	0	0	5,944	5,994
Cash capital increase	10	1,890	0	0	1,900
Fair value adjustment of hedging instruments, end of year	0	0	14,395	0	14,395
Net profit/loss for the year	0	0	0	88,156	88,156
Transfer from share premium account	0	-1,890	0	1,890	0
Equity at 31 December	60	0	14,395	95,990	110,445

Notes to the Financial Statements

1. Key activities

The objects of the company are to buy, develop, hold and sell real estate, and any business related hereto.

2. Staff Expenses

	<u>2021/22</u>	<u>2020/21</u>
	TDKK	TDKK
Wages and salaries	0	12,793
Pensions	0	-12,793
Other social security expenses	0	8
	<u>0</u>	<u>8</u>
Average number of employees	<u>0</u>	<u>1</u>

3. Financial expenses

	<u>2021/22</u>	<u>2020/21</u>
	TDKK	TDKK
Interest paid to group enterprises	1,762	0
Other financial expenses	2,632	232
	<u>4,394</u>	<u>232</u>

4. Income tax expense

	<u>2021/22</u>	<u>2020/21</u>
	TDKK	TDKK
Current tax for the year	807	0
Deferred tax for the year	24,132	-128
Adjustment of tax concerning previous years	51	0
	<u>24,990</u>	<u>-128</u>

Notes to the Financial Statements

5. Assets measured at fair value

	Investment properties
	TDKK
Cost at 1 July	0
Additions for the year	5,294
Transfers for the year	143,013
Cost at 31 December	<u>148,307</u>
Value adjustments at 1 July	0
Revaluations for the year	109,693
Value adjustments at 31 December	<u>109,693</u>
Carrying amount at 31 December	<u>258,000</u>

Assumptions underlying the determination of fair value of investment properties

Investment properties are measured at fair value. The fair value is calculated by using generally accepted valuation methods (DCF calculations) based on management's assessment of future cash flow, return requirements etc. The fair value adjustment for the year has been recognised in the Income Statement.

	2021/22
Budget period	10 years
Exit Yield	4,0%
Initial Yield	4,0%
Growth in terminal period	2,00%

The estimates applied are based on information and assumptions considered reasonable by Management but which are inherently uncertain and unpredictable. Actual events or circumstances will probably differ from the assumptions made in the calculations as often assumed events do not occur as expected. Such difference may be material.

Notes to the Financial Statements

	2021/22	2020/21
	TDKK	TDKK
6. Investments in associated companies		
Cost at 1 July	0	2,341
Disposals for the year	0	-2,341
Cost at 31 December	<u>0</u>	<u>0</u>
Value adjustments at 1 July	0	-2,305
Dividends received	0	-36
Reversals for the year of revaluations in previous years	0	2,341
Value adjustments at 31 December	<u>0</u>	<u>0</u>
Carrying amount at 31 December	<u>0</u>	<u>0</u>

7. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2021/22	2020/21
	TDKK	TDKK
Mortgage loans		
After 5 years	90,451	0
Between 1 and 5 years	0	89,412
Long-term part	<u>90,451</u>	<u>89,412</u>
Within 1 year	0	0
	<u>90,451</u>	<u>89,412</u>
Payables to group enterprises		
After 5 years	51,044	0
Long-term part	<u>51,044</u>	<u>0</u>
Within 1 year	0	0
	<u>51,044</u>	<u>0</u>

Notes to the Financial Statements

Deposits

After 5 years	0	0
Between 1 and 5 years	4,074	0
Long-term part	<u>4,074</u>	<u>0</u>
Within 1 year	0	0
Other deposits	0	0
Short-term part	<u>0</u>	<u>0</u>
	<u>4,074</u>	<u>0</u>
	<u>2021/22</u>	<u>2020/21</u>
	TDKK	TDKK

8. Contingent assets, liabilities and other financial obligations

Guarantee obligations

As collateral for its mortgage debt, DKK 90.451 thousand, the Company has provided collateral in investment properties with a carrying amount of:	258,000	143,014
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Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of LiCi Valhalla ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

9. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

Name	Place of registered office
PATRIZIA Living Cities Residential Fund	41 avenue de la Liberté L-1931 Luxembourg

Notes to the Financial Statements

10. Accounting policies

The Annual Report of Blok C2 ApS for 2021/22 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2021/22 are presented in TDKK.

The company has this year extended their financial statement period from 12 months to 18 months. This is based on the fact that the company was acquired during the period in which the company had filed its financial statement 2020-2021. LiCi Valhalla ApS submits financial statements 31-12, where the company submitted 30-06 previously. In order to adapt to the other companies in the group, the financial year has been extended by 6 months.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as "Other receivables" and "Other payables", respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting, see below.

Notes to the Financial Statements

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in the fair value reserve under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

Income statement

Rental income

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of rental income and other external expenses.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

The Company is jointly taxed with LiCi Valhalla ApS. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

Investment properties and other property, plant and equipment

Investment properties

Investment properties constitute land and buildings held to earn a return on the invested capital by way of current operating income and/or capital appreciation on sale.

After the initial recognition investment properties are measured at fair value. Value adjustments of investment properties are recognised in the income statement.

Notes to the Financial Statements

In Management's opinion the classification of the properties as investment properties did not cause any difficulties.

Fair value is the amount for which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction on the balance sheet date. The determination of fair value involves material accounting estimates.

The fair value of investment properties has been assessed by the independent assessor firm CBRE A/S at 31 December 2022

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans, such as mortgage loans, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.