Ejendomsselskabet PADK-3 ApS

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

CVR no. 38 41 18 45

Annual report for the period 1 January – 31 December 2018

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

31 May 2019

Louise Hertz
chairman

Contents

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-3 ApS for the financial year 1 January – 31 December 2018.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2018.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Parent Company's operations and financial matters, of the results for the year and of the Group's and the Parent Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen 31 May 2019
Executive Board:

Louise Hertz

Board of Directors:

Nathalie Winkelmann Chairman	Timm Anton Grün	Keld Jessen

Louise Hertz

Independent auditor's report

To the shareholders of Ejendomsselskabet PADK-3 ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Ejendomsselskabet PADK-3 ApS for the financial year 1 January – 31 December 2018 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group as well as for the Parent Company and a cash flow statement for the Group. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2018 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 consolidated financial statements and the parent company financial statements" section of our report. We are independent of the Group 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 consolidated financial statements and the parent company financial statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent company financial statements, Management is responsible for assessing the Group's and the Parent 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 consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements and the parent company 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 consolidated financial statements and parent company 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.

Independent auditor's report

We also

- identify and assess the risks of material misstatement of the consolidated financial statements and parent 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 Group's and the Parent 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 consolidated financial statements and the parent company 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 Group's and the Parent 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 consolidated financial statements and the parent company 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 Group and the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Independent auditor's report

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the consolidated financial statements and the parent company 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 consolidated financial statements and the parent company 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 consolidated financial statements or the parent company 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 consolidated financial statements and the parent company financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 31 May 2019
KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Michael Tuborg
State Authorised
Public Accountant
mne24621

Management's review

Company details

Ejendomsselskabet PADK-3 ApS
c/o Cobblestone A/S, Gammel Køge Landevej 57, 3.
2500 Valby

CVR no.:	38 41 18 45
Established:	3 February 2017
Financial year:	1 January – 31 December

Board of Directors

Nathalie Winkelmann, Chairman
Timm Anton Grün
Keld Jessen
Louise Hertz

Executive Board

Louise Hertz

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 Copenhagen

Annual general meeting

The annual general meeting will be held on 31 May 2019.

Management's review

Financial highlights for the Group

DKK'000	2018	2017
Key figures		
Gross profit	18,101	9,279
Ordinary operating profit/loss	54,275	27,455
Profit/loss from financial income and expenses	-16,083	-20,131
Profit for the year	27,325	7,397
Total assets	930,481	844,810
Equity	208,238	180,912
Investment in property, plant and equipment	237,431	139,986
Cash flows from operating activities	12,754	146,287
Cash flows from investing activities	-46,713	-779,678
Cash flows from financing activities	47,636	679,306
Total cash flows	13,677	45,915
Ratios		
Return on equity	13.1%	4.1%
Solvency ratio	22.4%	21.4%
Rate of return	5.8%	3.2%

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015". The financial ratios have been calculated as follows:

Return on equity $\frac{\text{Profit/loss from ordinary activities after tax x 100}}{\text{Average equity}}$

Solvency ratio $\frac{\text{Equity ex. non-controlling interests at year end x 100}}{\text{Total equity and liabilities at year end}}$

Rate of return $\frac{\text{Ordinary operating profit/loss x 100}}{\text{Total equity and liabilities at year end}}$

Management's review

Operating review

The Group's principal activities

The objective of the Group is to acquire real estate properties for investment purposes through holding companies.

Uncertainty regarding recognition and measurement

The investment property is measured at fair value using a DCF-model and assumptions and estimates relating to yields, vacancy etc. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the investment property.

Development in activities and financial position

The Parent Company's income statement for the year shows a profit of DKK 27,325 thousand, and the balance sheet at 31 December 2018 shows equity of DKK 208,238 thousand.

The Group's income statement for the year shows a profit of DKK 27,325 thousand, and the balance sheet at 31 December 2018 shows equity of DKK 208,238 thousand.

Management finds the result for the year satisfactory.

Events after the balance sheet date

No events have occured after the balance sheet date which could significantly affect the group and parent company's financial position.

Outlook

For 2019, Management expects a result of the year for the Parent Company and Group at the same level as for 2018.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Income statement

		Group		Parent Company	
DKK'000	Note	2018	2017	2018	2017
Gross profit/loss		18,101	9,279	-327	-5,752
Staff costs	2	0	-217	0	0
Fair value adjustments of investment properties	3	36,174	18,393	0	0
Ordinary operating profit/loss		54,275	27,455	-327	-5,752
Other operating costs		0	-63	0	0
Operating profit/loss		54,275	27,392	-327	-5,752
Income from equity investments in group entities		0	0	39,531	18,946
Financial income		17	15	1	0
Financial expenses	4	-16,100	-20,146	-5,888	-3,908
Profit before tax		38,192	7,261	33,317	9,286
Tax on profit for the year	5	-10,867	136	-5,992	1,341
Profit for the period		27,325	7,397	27,325	10,627

Consolidated financial statements and parent company financial statements 1 January – 31 December

Balance sheet

		Group		Parent Company	
DKK'000	Note	31/12 2018	31/12 2017	31/12 2018	31/12 2017
ASSETS					
Fixed assets					
Property, plant and equipment	7				
Investment properties		870,472	709,000	0	0
Investments properties under contructions		0	88,954	0	0
		870,472	797,954	0	0
Investments	8				
Equity investments in group entities		0	0	413,367	373,836
Total fixed assets		870,472	797,954	413,367	373,836
Current assets					
Receivables					
Trade receivables		0	87	0	0
Other receivables		417	200	0	0
Deferred tax asset		0	0	0	1,341
Corporation tax		0	654	0	0
		417	941	0	1,341
Cash at bank and in hand		59,592	45,915	5,925	651
Total current assets		60,009	46,856	5,925	1,992
TOTAL ASSETS		930,481	844,810	419,292	375,828

Consolidated financial statements and parent company financial statements 1 January – 31 December

Balance sheet

		Group		Parent Company	
DKK'000	Note	31/12 2018	31/12 2017	31/12 2018	31/12 2017
EQUITY AND LIABILITIES					
Equity					
Contributed capital		51	51	51	51
Share premium		170,234	170,234	170,234	170,234
Reserve for net revaluation under equity method		0	0	58,477	18,946
Retained earnings		37,953	10,627	-20,524	-8,319
Total equity		208,238	180,912	208,238	180,912
Provisions					
Provisions for deferred tax		30,690	21,771	4,650	0
Total provisions		30,690	21,771	4,650	0
Liabilities other than provisions					
Non-current liabilities other than provisions	9				
Mortgage loans		377,767	391,004	0	0
Payables to shareholders		176,280	102,916	100,480	70,480
		554,047	493,920	100,480	70,480
Current liabilities other than provisions					
Current portion of non-current liabilities		169	172	0	0
Trade payables		2,326	9,662	0	0
Payables to group entities		0	0	275	0
Corporation tax		1,206	0	0	0
Other payables	10	106,705	123,385	96,501	121,170
Payables to shareholders		12,814	3,346	9,148	3,266
Deposits		14,286	11,642	0	0
		137,506	148,207	105,924	124,436
Total liabilities other than provisions		691,553	642,127	206,404	194,916
TOTAL EQUITY AND LIABILITIES		930,481	844,810	419,292	375,828

Contractual obligations, contingencies, etc. 11
Related party disclosures 12

Consolidated financial statements and parent company financial statements 1 January – 31 December

Statement of changes in equity

	Group			
DKK'000	Contributed capital	Share premium	Retained earnings	Total
Equity at 1 January 2018	51	170,234	10,628	180,913
Transferred over the profit appropriation	0	0	27,325	27,325
Equity at 31 December 2018	51	170,234	37,953	208,238

	Parent Company				
DKK'000	Contributed capital	Share premium	Reserve for net revaluation under equity method	Retained earnings	Total
Equity at 1 January 2018	51	170,234	18,946	-8,318	180,913
Transferred over the profit appropriation	0	0	39,531	-12,206	27,325
Equity at 31 December 2018	51	170,234	58,477	-20,524	208,238

Consolidated financial statements and parent company financial statements 1 January – 31 December

Cash flow statement

		Group	
DKK'000	Note	2018	2017
Profit before tax for the year		38,192	7,261
Other adjustments of non-cash operating items		0	3,230
Fair value adjustment of investment properties		-25,805	-18,276
Interest income		-17	-15
Interest expense		16,100	20,146
Cash flows from operations before changes in working capital		28,470	12,346
Changes in working capital	13	457	132,165
Cash flows from ordinary activities		28,927	144,511
Interest income		17	15
Interest expense		-16,100	-20,146
Changes in deferred tax		-90	21,907
Cash flows from operating activities		12,754	146,287
Acquisition of investment properties under construction		0	-88,954
Acquisition of investment properties		-76,654	-690,724
Disposal of property, plant and equipment		29,941	0
Cash flows from investing activities		-46,713	-779,678
External financing:			
Increase in payables to credit institutions		-13,240	423,612
Increase in payables to group entities		82,831	73,767
Capital increase		0	170,234
Changes in deposit		0	11,642
Share capital		2,645	51
Offset in purchase price due		-24,600	0
Cash flows from financing activities		47,636	679,306
Cash flows for the year		13,677	45,915
Cash and cash equivalents at the beginning of the year		45,915	0
Cash and cash equivalents at year end		59,592	45,915

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Ejendomsselskabet PADK-3 ApS for 2018 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

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

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits 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 from the Company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which evidence matters existing at the balance sheet date.

Consolidated financial statements

The consolidated financial statements comprise the Parent Company and subsidiaries in which directly or indirectly holds more than 50% of the votes or in some other way exercises control over.

On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends and realised and unrealised gains and losses on intra-group transactions are eliminated.

Investments in subsidiaries are set off against the proportionate share of subsidiaries' fair value of net assets and liabilities at the date of acquisition.

Income statement

Gross Profit

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Other external costs

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

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Fair value adjustments of investment properties

Fair value adjustments of investment properties comprises fair value adjustments related to properties and gain and losses from sale of apartments and are recognised in the income statement.

Other operating costs

Other operating costs comprise items secondary to the activities of the entity, including losses on the disposal of intangible assets and property, plant and equipment.

Income from equity investments in group entities

The proportionate share of the individual subsidiaries' profit/loss after tax is recognised in the Company's income statement after full elimination of intra-group gains/losses and amortisation of goodwill.

Financial income and expenses

Financial costs comprise interest expenses, exchange rate adjustments, amortisation expenses and other financial costs.

Tax on profit/loss for the year

Tax for the year comprises current tax for the year and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year, and directly in equity at the amount attributable to entries directly in equity.

The Parent Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. 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.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 **Accounting policies (continued)**

Balance sheet

Investment properties

Investment property comprises property that is held to earn rentals, held for capital appreciation or both.

Initially, investment property is 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 property is stated at fair value. Gains or losses arising from changes in the fair values are included in the income statement in the year in which they arise.

The fair value of completed investment property is determined using a discounted cash flow (DCF). Under the DCF-method, a property's fair value is estimated using explicit assumptions about the risks and yields over the asset's life, including an exit or terminal value. This involves the projection of a series of cash flows and to do this, an appropriate, market-derived discount rate is applied to establish the present value of the income stream.

The duration of the cash flow and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal, re- letting, redevelopment, or refurbishment.

The valuations were performed by Sadolin Albæk, an accredited independent value with a recognised and relevant professional qualification and recent experience of the location and category of the investment property being valued. The valuation model applied is in accordance with that recommended by the International Valuation Standards Committee. These valuation models are consistent with the principles in IFRS 13.

Investment properties under construction

Investment properties under construction is measured at cost or net realization value, if lower than cost. Costs include project development and construction costs directly attributable to the project.

Equity investments in group entities

Equity investments in group entities are measured at the proportionate share of the entities' net asset value calculated in accordance with the Group's accounting policies plus or minus unrealised intra-group gains or losses and plus or minus the residual value of positive and negative goodwill calculated in accordance with the acquisition method.

Equity investments in group entities with negative net asset values are measured at DKK 0, and any receivables from these entities are written down by an amount equivalent to the negative net asset value. To the extent that the negative net asset value exceeds the receivable, the residual amount is recognised as provisions.

Net revaluation of equity investments in group entities is tied as a net revaluation reserve under equity according to the equity method to the extent that the carrying amount exceeds cost. Dividends from group entities expected to be adopted in the group entities prior to the approval of the Company's annual report, are not tied up in the revaluation reserve.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis. The portfolios are primarily based on the debtors' registered offices and credit rating in accordance with the Company's credit risk management policy. The objective indicators used in relation to portfolios are determined on the basis of historical loss experience.

Equity

Dividends

The expected dividends payment for the year is disclosed as a separate item under equity.

Net revaluation reserve according to the equity method

Net revaluation reserve according to the equity method comprises net revaluation of equity investments in subsidiaries in proportion to cost.

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 based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the 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.

Prepayments and deferred income

Deferred income comprises advance invoicing regarding income in subsequent years.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 **Accounting policies (continued)**

Liabilities other than provisions

Payables to credit institutions are recognised at cost at the date of borrowing, equivalent to proceeds received less transaction costs paid.

Subsequently, these financial liabilities are meaured at amoritsed cost.

Other liabilities are measured at net realisable value.

Cash flow statement

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and divestment of entities is shown separately in cash flows from investing activities. Cash flows relating to acquired entities are recognised in the cash flow statement from the date of acquisition, and cash flows relating to divested entities are recognised up to the date of divestment.

Cash flows from operating activities

Cash flows from operating activities are calculated as the Group's share of profit/loss for the year adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities, intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in size or composition of the Company's share capital and costs in this respect as well as raising of loans, instalments on interest-bearing debt and distribution of dividends to owners.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

2 Staff costs

	Group		Parent Company	
DKK'000	2018	2017	2018	2017
Wages and salaries	0	212	0	0
Pensions	0	5	0	0
	0	217	0	0
Average number of full-time employees	0	0	0	0

Staff costs of the Group and the Parent Company include remuneration of the Parent Company's Executive Board of DKK 0 thousand and pensions of DKK 0 thousand as well as remuneration of the Parent Company's Board of Directors of DKK 0 thousand.

3 Fair value adjustments of investment properties

	Group		Parent Company	
DKK'000	2018	2017	2018	2017
Value adjustment of properties	25,805	18,456	0	0
Gain on sale of properties	10,369	-63	0	0
	36,174	18,393	0	0

4 Financial expenses

	Group		Parent Company	
DKK'000	2018	2017	2018	2017
Interest expense to group entities	0	0	5,883	3,835
Other financial costs	16,100	20,146	5	73
	16,100	20,146	5,888	3,908

5 Tax on profit/loss for the year

	Group		Parent Company	
DKK'000	2018	2017	2018	2017
Deferred tax for the year	3,161	-1,348	0	-1,341
Adjustment of deferred tax concerning previous year	5,992	0	5,992	0
	10,868	-136	5,992	-1,341

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

DKK'000	Group 2018	Group 2017	Parent Company 2018	Parent Company 2017
6 Proposed profit appropriation				
Reserve for net revaluation under equity method	0	0	39,531	18,946
Retained earnings	27,325	7,397	-12,206	-8,319
	27,325	7,397	27,325	10,627

7 Investment properties

DKK'000	Group: Investment properties	Group: Investment properties under construction	Group: Total
Cost at 1 January 2018	512,632	88,954	601,586
Adjustments to cost price from previous years	-11,025	0	-11,025
Additions for the year	165,608	71,823	237,431
Disposals in the year	-21,696	-160,777	-182,473
Cost at 31 December 2018	645,519	0	645,519
Revaluations at 1 January 2018	196,368	0	196,368
Adjustment to revaluation from previous years	11,025	0	11,025
Revaluations for the year	25,805	0	25,805
Reversal of revaluations	-8,245	0	-8,245
Revaluations at 31 December 2018	224,953	0	224,953
Carrying amount at 31 December 2018	870,472	0	870,472

The Limited Partnership's investment properties are located in Copenhagen, Gentofte and Aarhus. The seven properties are mainly used for residential purposes.

Assumptions
In the valuation of the property, the following key assumptions have been applied:
- Reversionary yield for the residential units of properties vary from 3.75 % - 5.50 % and an applied churn rate of 15 - 20% for the 82 apartments held for sale out of 231 apartments.

Sensitivity analysis
An increase of the yield by 0.5 percentage points would reduce the property value by DKK 77,8 mio. and a decreased of the yield by 0.5 percentage points would increase the property value by DKK 100,5 mio.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

8 Investments

DKK'000	Parent Equity investments in group entities
Cost at 1 January 2018	354,890
Cost at 31 December 2018	354,890
Revaluations at 1 January 2018	18,946
Net profit/loss for the year	39,531
Revaluations 31 December 2018	58,477
Carrying amount at 31 December 2018	413,367

9 Non-current liabilities other than provisions

DKK'000	Debt at 31 December 2018	Repayment, first year	Outstanding debt after five years
Mortgage loans	377,767	169	377,128
Payables to shareholders	176,280	0	176,280
	554,047	169	553,408

10 Other payables

	Group		Parent Company	
DKK'000	2018	2017	2018	2017
Outstanding purchase price	96,400	121,000	96,400	121,000
Other	10,305	2,385	101	170
Other payables at 31 December	106,705	123,385	96,501	121,170

11 Contractual obligations, contingencies, etc.

Mortgages and collateral

As collateral for its mortgage debt, DKK 377,767 thousand, the Group has provided collateral in investments properties with a carrying amount of DKK 870,472 thousand at 31 December 2018.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

12 Related party disclosures

Ejendomsselskabet PADK-3 ApS' related parties comprise the following:

Control

Universal-Investment-Luxembourg S.A, 15, Rue De Flaxweiler, 6776, Grevenmacher, Luxembourg

Universal-Investment-Luxembourg S.A holds the majority of the contributed capital in the Company.

Related party transactions

Related party transactions comprise shareholder loan and interest on shareholder loan. We refer to note 4 and 9.

13 Change in working capital

	Group	
DKK'000	2018	2017
Change in receivables	-130	-941
Change in trade and other payables	587	133,106
	457	132,165