

# Ejendomsselskabet PADK-3 ApS


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

CVR no. 38 41 18 45

**Annual report for the period 3 February – 31 December 2017**

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

30 May 2018



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Louise Hertz

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## Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Ejendomselskabet PADK-3 ApS for the financial period 3 February – 31 December 2017.

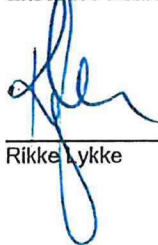
The annual report has been prepared in accordance with the Danish Financial Statements Act.

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 2017 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial period 3 February – 31 December 2017.

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 period 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.

30 May 2018  
Executive Board:



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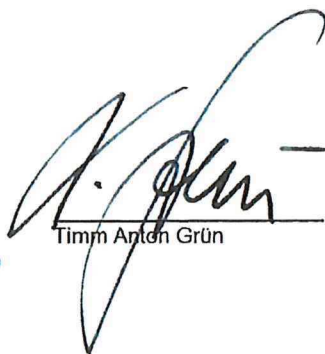
Rikke Lykke

Board of Directors:



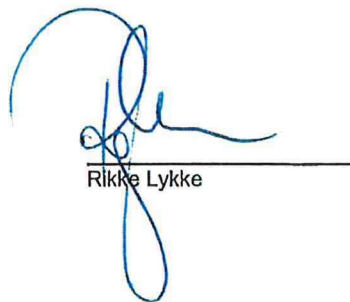
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Peret Bergmann  
Chairman



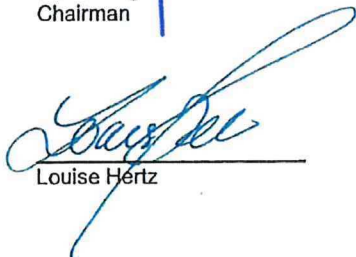
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Timm Anton Grün



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Rikke Lykke



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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 period 3 February – 31 December 2017 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 2017 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial period 3 February – 31 December 2017 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



## Independent auditor's report

Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. 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.

### 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.



## Independent auditor's report

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, 30 May 2018

**KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98

A handwritten signature in blue ink, appearing to read 'Michael Tuborg', written over a printed name.

Michael Tuborg  
State Authorised  
Public Accountant  
MNE no. 24621

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## Management's review

### Company details

Ejendomsselskabet PADK-3 ApS  
c/o Patrizia Denmark, Adelgade 15, 2.,  
1304 København K

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

### Board of Directors

Peret Bergmann, Chairman  
Timm Anton Grün  
Rikke Lykke  
Louise Hertz

### Executive Board

Rikke Lykke

### Auditor

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
DK-2100 Copenhagen

### Annual general meeting

The annual general meeting will be held on 30 May 2018.

## Management's review

### Financial highlights for the Group

DKK'000	2017
<b>Key figures</b>	
Gross profit	9,279
Ordinary operating profit/loss	27,455
Profit/loss from financial income and expenses	-20,131
Profit for the year	7,397
<b>Total assets</b>	
Equity	180,912
Investment in property, plant and equipment	139,986
<b>Cash flows</b>	
Cash flows from operating activities	146,287
Cash flows from investing activities	-779,678
Cash flows from financing activities	679,306
Total cash flows	45,915
<b>Ratios</b>	
Return on equity	4.1%
Solvency ratio	21.3%
Rate of return	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	$\frac{\text{Profit/loss from ordinary activities after tax} \times 100}{\text{Average equity}}$
Solvency ratio	$\frac{\text{Equity ex. non-controlling interests at year end} \times 100}{\text{Total equity and liabilities at year end}}$
Rate of return	$\frac{\text{Ordinary operating profit/loss} \times 100}{\text{Total equity and liabilities at year end}}$



## 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. Please see note 4.

#### Development in activities and financial position

At 28 February 2017, the Parent Company purchased the shares of subsidiaries. As per this date, the subsidiaries were included in the consolidated financial statements for the Group. The results for the period in subsidiaries from 1 January to 28 February 2017 are recognised directly on the equity.

The Parent Company's income statement for the year shows a profit of DKK 10,627 thousand, and the balance sheet at 31 December 2017 shows equity of DKK 180,912 thousand.

The Group's income statement for the year shows a profit of DKK 7,397 thousand, and the balance sheet at 31 December 2017 shows equity of DKK 180,912 thousand.

#### Events after the balance sheet date

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

#### Outlook

For 2018, Management expects a result of the year for the Parent Company and Group at the same level as for 2017.

## Consolidated financial statements and parent company financial statements 3 February – 31 December

### Income statement

DKK'000	Note	Group	Parent Company
		2017	2017
<b>Gross profit/loss</b>		9,279	-5,752
Staff costs	2	-217	0
Fair value adjustments of investment properties		18,393	0
<b>Ordinary operating profit/loss</b>		27,455	-5,752
Other operating costs		-63	0
<b>Operating profit/loss</b>		27,392	-5,752
Income from equity investments in group entities		0	18,946
Financial income		15	0
Financial expenses	3	-20,146	-3,908
<b>Profit before tax</b>		7,261	9,286
Tax on profit for the year		136	1,341
<b>Profit for the period</b>		<u>7,397</u>	<u>10,627</u>

## Consolidated financial statements and parent company financial statements 3 February – 31 December

### Balance sheet

DKK'000	Note	Group	Parent Company
		2017	2017
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Property, plant and equipment</b>			
Investment properties	5	709,000	0
Investment properties under construction		88,954	0
		<u>797,954</u>	<u>0</u>
<b>Investments</b>			
Equity investments in group entities	6	0	373,836
		<u>0</u>	<u>373,836</u>
<b>Total fixed assets</b>		<u>797,954</u>	<u>373,836</u>
<b>Current assets</b>			
<b>Receivables</b>			
Trade receivables		87	0
Other receivables		200	0
Deferred tax asset		0	1,341
Corporation tax		654	0
		<u>941</u>	<u>1,341</u>
<b>Cash at bank and in hand</b>		<u>45,915</u>	<u>651</u>
<b>Total current assets</b>		<u>46,856</u>	<u>1,992</u>
<b>TOTAL ASSETS</b>		<u><u>844,810</u></u>	<u><u>375,828</u></u>

## Consolidated financial statements and parent company financial statements 3 February – 31 December

### Balance sheet

DKK'000	Note	Group	Parent Company
		2017	2017
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital		51	51
Share premium		170,234	170,234
Reserve for net revaluation under equity method		0	18,946
Retained earnings		10,627	-8,319
<b>Total equity</b>		<b>180,912</b>	<b>180,912</b>
<b>Provisions</b>			
Provisions for deferred tax		21,771	0
<b>Total provisions</b>		<b>21,771</b>	<b>0</b>
<b>Liabilities other than provisions</b>			
<b>Non-current liabilities other than provisions</b>			
Mortgage loans	7	391,004	0
Payables to shareholder		102,916	70,480
		493,920	70,480
<b>Current liabilities other than provisions</b>			
Current portion of non-current liabilities	7	172	0
Trade payables		9,662	0
Payables to shareholder		3,346	3,266
Other payables	8	123,385	121,170
Deposits		11,642	0
		148,207	124,436
<b>Total liabilities other than provisions</b>		<b>642,127</b>	<b>194,916</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>844,810</b>	<b>375,828</b>
Contractual obligations, contingencies, etc.		9	
Related party disclosures		10	

## Consolidated financial statements and parent company financial statements 3 February – 31 December

### Statement of changes in equity

	Group			
	Contributed capital	Share premium	Retained earnings	Total
Equity at 3 February 2017	50	0	0	50
Net effect from merger and acquisition	0	0	3,230	3,230
Cash capital increase	1	170,234	0	170,235
Transferred over the profit appropriation	0	0	7,397	7,397
<b>Equity at 31 December 2017</b>	<b>51</b>	<b>170,234</b>	<b>10,627</b>	<b>180,912</b>

	Parent Company				
	Contributed capital	Share premium	Reserve for net revaluation under equity method	Retained earnings	Total
Equity at 3 February 2017	50	0	0	0	50
Cash capital increase	1	170,234	0	0	170,235
Transferred over the profit appropriation	0	0	18,946	-8,319	10,627
<b>Equity at 31 December 2017</b>	<b>51</b>	<b>170,234</b>	<b>18,946</b>	<b>-8,319</b>	<b>180,912</b>

## Consolidated financial statements and parent company financial statements 3 February – 31 December

### Cash flow statement

DKK'000	Note	Group
		<u>2017</u>
Profit before tax for the year		7,261
Other adjustments of non-cash operating items		3,230
Fair value adjustment of investment properties		-18,276
Interest income		-15
Interest expense		<u>20,146</u>
Cash flows from operations before changes in working capital		12,346
Changes in working capital	11	<u>132,165</u>
Cash flows from ordinary activities		144,511
Interest income		15
Interest expense		-20,146
Changes in deferred tax		<u>21,907</u>
<b>Cash flows from operating activities</b>		<u>146,287</u>
Acquisition of investment properties under construction		-88,954
Acquisition of investment properties		<u>-690,724</u>
<b>Cash flows from investing activities</b>		<u>-779,678</u>
External financing:		
Increase in payables to credit institutions		423,612
Increase in payables to group entities		73,767
Capital increase		170,234
Changes in deposit		11,642
Share capital		<u>51</u>
<b>Cash flows from financing activities</b>		<u>679,306</u>
<b>Cash flows for the year</b>		45,915
Cash and cash equivalents at the beginning of the year		<u>0</u>
<b>Cash and cash equivalents at year end</b>		<u><u>45,915</u></u>

## Consolidated financial statements and parent company financial statements 3 February – 31 December

### Notes

#### 1 Accounting policies

The annual report of Ejendomsselskabet PADK-3 ApS for 2017 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

As this is the Company's first financial year, no comparative figures are included in the financial statements.

#### 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 3 February – 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 related to properties are recognised in the income statement.

##### **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.

##### **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 3 February – 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 according to the equity method.

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 with deduction or addition of unrealised gains and 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 to the extent that the receivables are deemed irrecoverable.

#### Receivables

Receivables are measured at amortised cost.

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## **Consolidated financial statements and parent company financial statements 3 February – 31 December**

### **Notes**

#### **1 Accounting policies (continued)**

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.

## Consolidated financial statements and parent company financial statements 3 February – 31 December

### Notes

#### 1 Accounting policies (continued)

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.

#### 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.

#### 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.

#### 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 measured at amortised cost.

Other liabilities are measured at net realisable value.

## **Consolidated financial statements and parent company financial statements 3 February – 31 December**

### **Notes**

#### **1 Accounting policies (continued)**

##### **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.

##### **Prepayments and deferred income**

Deferred income comprises advance invoicing regarding income in subsequent years.

##### **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.

##### **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.

## Consolidated financial statements and parent company financial statements 3 February – 31 December

### Notes

#### 2 Staff costs

	Group	Parent Company
	2017	2017
DKK'000		
Wages and salaries	212	0
Pensions	5	0
	<u>217</u>	<u>0</u>
Average number of full-time employees	<u>0</u>	<u>1</u>

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 Financial expenses

Interest expense to group entities	3,835	3,835
Other financial costs	<u>16,311</u>	<u>73</u>
	<u>20,146</u>	<u>3,908</u>

#### 4 Proposed profit appropriation

Reserve for net revaluation under equity method	0	18,946
Retained earnings	<u>7,397</u>	<u>-8,319</u>
	<u>7,397</u>	<u>10,627</u>

## Consolidated financial statements and parent company financial statements 3 February – 31 December

### Notes

#### 5 Investment properties

DKK'000	<i>Group</i>		
	Investment properties	Investment properties under construction	Total
Cost at 3 February 2017	531,814	9,015	540,829
Additions for the year	60,047	79,939	139,986
Disposals in the year	-79,229	0	-79,229
Cost at 31 December 2017	512,632	88,954	601,586
Revaluations at 3 February 2017	237,582	0	237,582
Revaluations for the year	18,276	0	18,276
Reversal for the year of revaluation of assets sold	-59,490	0	-59,490
Depreciation and impairment losses at 31 December 2017	196,368	0	196,368
<b>Carrying amount at 31 December 2017</b>	<b>709,000</b>	<b>88,954</b>	<b>797,954</b>

The Company's investment properties are located in Copenhagen, Northern Zealand and Århus. The seven properties are mainly used for residential and parking spaces.

#### Assumption

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% to 5.5%  
- Churn rate of 15 - 20%

#### Sensitivity analysis

An increase of the yield by 0.5 percentage points would reduce the property value by DKK 74.5 million and a decreased of the yield by 0.5 percentage points would increase the property value by DKK 95.0 million.

#### 6 Investments

DKK'000	<u>2017</u>
Additions for the year	339,152
Capital increase	<u>15,738</u>
Cost at 31 December 2017	354,890
Net profit for the year	16,573
Other adjustments	<u>2,373</u>
Revaluations 31 December 2017	18,946
<b>Carrying amount at 31 December 2017</b>	<b><u>373,836</u></b>

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### Notes

#### 7 Non-current liabilities other than provisions

DKK'000	Debt at 31 December 2017	Repayment, first year	Outstanding debt after five years
Mortgage loans	391,206	172	401,060
Payables to shareholders	106,203	3,287	102,916
	<u>497,409</u>	<u>3,459</u>	<u>503,976</u>

#### 8 Other payables

DKK'000	Group 2017	Parent Company 2017
Outstanding purchase price	121,000	121,000
Other	2,444	170
Other payables at 31 December	<u>123,444</u>	<u>121,170</u>

#### 9 Contractual obligations, contingencies, etc.

##### Mortgages and collateral

As collateral for its mortgage debt, DKK 423,612 thousand, the Group has provided collateral in investments properties with a carrying amount of DKK 797,954 thousand at 31 December 2017.

##### Contingent liabilities

The Group has provided the developer, CG Jensen A/S, with a contract guarantee of DKK 11.8 million, which relates to the investment properties under construction.

The Group's Danish entities are jointly and severally liable for tax on the Group's jointly taxed income and for certain withholding taxes such as dividend tax and royalty tax as well as for the joint registration for VAT. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc., may entail an increase in the entities' liability. The Group as a whole is not liable to any other parties.

The Group and the Parent Company have no other contingent liabilities.

## **Consolidated financial statements and parent company financial statements 3 February – 31 December**

### **Notes**

#### **10 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**

In accordance with section 98 c(7) of the Danish Financial Statements Act, related party transactions have not been disclosed in the consolidated financial statements and parent company financial statements, as they were conducted on an arm's length basis.



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### Notes

#### 11 Change in working capital

	Group
DKK'000	<u>2017</u>
Change in receivables	-941
Change in trade and other payables	<u>133,106</u>
	<u><u>132,165</u></u>