

Ejendomsselskabet PADK-3 ApS

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

CVR no. 38 41 18 45

Annual report 2020

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

27 May 2021

Louise Hertz
chairman

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Ejendomsselskabet PADK-3 ApS
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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 Ejendomsselskabet PADK-3 ApS for the financial year 1 January – 31 December 2020.

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 2020 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 2020.

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, 27 May 2021
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 2020 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 2020 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 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the 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.

Independent auditor's report

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. 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, 27 May 2021

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Michael Tuborg
State Authorised
Public Accountant
mne24621

Ejendomsselskabet PADK-3 ApS
Annual report 2020
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Management's review

Company details

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

CVR no.:	38 41 18 45
Established:	3 February 2017
Registered office:	Copenhagen
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
Denmark

Annual general meeting

The annual general meeting will be held on 27 May 2021.

Management's review

Financial highlights for the Group

DKK'000	2020	2019	2018	2017
Key figures				
Gross profit	21,396	22,828	18,101	9,279
Profit/loss from financial income and expenses	-22,022	-19,516	-16,083	-20,131
Profit for the year	-21,155	17,284	27,325	7,397
Total assets				
Equity	902,563	950,265	930,984	844,810
Investment in property, plant and equipment	204,367	225,522	208,238	180,912
	3,570	10,441	237,431	139,986
Cash flows				
Cash flows from operating activities	-927	23,924	12,754	146,287
Cash flows from investing activities	16,865	-6,669	-46,713	-779,678
Cash flows from financing activities	-19,416	-9,458	47,636	679,306
Total cash flows	-3,478	7,797	13,677	45,915
Ratios				
Return on equity	-9.8%	4.0%	7.0%	4.1%
Solvency ratio	22.6%	23.7%	22.4%	21.4%
Rate of return	3.2%	4.4%	5.8%	3.2%

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.

Development in activities and financial position

The Parent Company's income statement for 2020 shows a loss of DKK -21,155 thousand as against DKK 17,284 thousand in 2019. Equity in the Parent Company's balance sheet at 31 December 2020 stood at DKK 204,367 thousand as against DKK 225,522 thousand at 31 December 2019.

The Group's income statement for 2020 shows a loss of DKK -21,155 thousand as against DKK 17,284 thousand in 2019. Equity in the Parent Company's balance sheet at 31 December 2020 stood at DKK 204,367 thousand as against DKK 225,522 thousand at 31 December 2019.

Revaluation of the properties has had a significant impact on the loss for 2020.

Uncertainty regarding recognition and measurement

The investment properties 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.

Events after the balance sheet date

No subsequent events have occurred after the balance sheet date that materially affect the Company's financial position.

Outlook

For 2021, Management expects a profit before financial income and expenses of the year for the Group at the same level as for 2020.

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

Income statement

DKK'000	Note	Group		Parent Company	
		2020	2019	2020	2019
Gross profit/loss		21,396	22,828	655	-2,895
Profit/loss before financial income and expenses		21,396	22,828	655	-2,895
Income from equity investments in group entities		0	0	-11,593	32,091
Fair value adjustment of investment properties	3	-23,619	18,972	0	0
Other financial income		17	17	0	0
Other financial expenses	4	-22,039	-19,533	-11,901	-9,693
Profit/loss before tax		-24,245	22,284	-22,839	19,503
Tax on profit/loss for the year	5	3,090	-5,000	1,684	-2,219
Share of profit/loss for the year	6	-21,155	17,284	-21,155	17,284

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

Balance sheet

DKK'000	Note	Group		Parent Company	
		2020	2019	2020	2019
ASSETS					
Fixed assets					
Property, plant and equipment					
Investment properties	7	837,667	882,800	0	0
Investments					
Equity investments in group entities	8	0	0	398,865	429,458
Total fixed assets		837,667	882,800	398,865	429,458
Current assets					
Receivables					
Receivables from group entities		0	0	18,914	7,955
Other receivables		985	76	0	0
Corporation tax		0	0	290	0
		985	76	19,204	7,955
Cash at bank and in hand		63,911	67,389	9,855	17,098
Total current assets		64,896	67,465	29,059	25,053
TOTAL ASSETS		902,563	950,265	427,924	454,511

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

Balance sheet

DKK'000	Note	Group		Parent Company	
		2020	2019	2020	2019
EQUITY AND LIABILITIES					
Equity					
Contributed capital		51	51	51	51
Reserve for net revaluation under equity method	8	0	0	41,591	72,184
Retained earnings		<u>204,316</u>	<u>225,471</u>	<u>162,725</u>	<u>153,287</u>
Total equity		<u>204,367</u>	<u>225,522</u>	<u>204,367</u>	<u>225,522</u>
Provisions					
Provisions for deferred tax	9	<u>26,171</u>	<u>33,167</u>	<u>3,271</u>	<u>6,707</u>
Total provisions		<u>26,171</u>	<u>33,167</u>	<u>3,271</u>	<u>6,707</u>
Liabilities other than provisions					
Non-current liabilities other than provisions					
	10				
Mortgage loans		363,087	371,433	0	0
Payables to shareholders		<u>267,800</u>	<u>267,800</u>	<u>192,000</u>	<u>192,000</u>
		<u>630,887</u>	<u>639,233</u>	<u>192,000</u>	<u>192,000</u>
Current liabilities other than provisions					
Current portion of non-current liabilities		163	501	0	0
Trade payables		1,290	802	0	0
Payables to group entities		0	0	16,278	7,421
Corporation tax		2,906	3,133	0	163
Other payables	11	7,509	6,883	296	3,906
Payables to shareholders		16,336	27,068	11,712	18,792
Deposits		<u>12,934</u>	<u>13,956</u>	<u>0</u>	<u>0</u>
		<u>41,138</u>	<u>52,343</u>	<u>28,286</u>	<u>30,282</u>
Total liabilities other than provisions		<u>672,025</u>	<u>691,576</u>	<u>220,286</u>	<u>222,282</u>
TOTAL EQUITY AND LIABILITIES		<u>902,563</u>	<u>950,265</u>	<u>427,924</u>	<u>454,511</u>
Average number of employees	2				
Mortgages and collateral	12				
Related party disclosures	13				

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

Statement of changes in equity

DKK'000	Group			Total
	Contributed capital	Retained earnings		
Equity at 1 January 2020	51	225,471		225,522
Transferred over the distribution of loss	0	-21,155		-21,155
Equity at 31 December 2020	51	204,316		204,367

DKK'000	Parent Company			
	Contributed capital	Reserve for net revaluation under equity method	Retained earnings	Total
Equity at 1 January 2020	51	72,184	153,287	225,522
Transfers, reserves	0	0	30,593	30,593
Transferred over the distribution of loss	0	0	-21,155	-21,155
Revaluation for the year	0	-30,593	0	-30,593
Equity at 31 December 2020	51	41,591	162,725	204,367

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

Cash flow statement

DKK'000	Note	Group	
		2020	2019
Profit/Loss before tax for the year		-24,245	22,284
Other adjustments of non-cash operating items		0	2,743
Fair value adjustment of investment properties		27,246	-15,553
Interest income		-17	-17
Interest expense		22,039	19,533
Cash flows from operations before changes in working capital		25,023	28,990
Changes in working capital	14	205	1,148
Cash flows from ordinary activities		25,228	30,138
Interest income		17	17
Interest expense		-22,039	-5,278
Taxes paid		-4,133	-953
Cash flows from operating activities		-927	23,924
Acquisition of investment properties		-3,570	-20,005
Disposal of property, plant and equipment		21,457	13,666
Changes in deposits		-1,022	-330
Cash flows from investing activities		16,865	-6,669
External financing:			
Increase in payables to credit institutions		-8,684	-6,002
Increase in payables to group entities		0	91,520
Increase in debt to shareholders		-10,732	0
Paid share purchase price		0	-94,976
Cash flows from financing activities		-19,416	-9,458
Cash flows for the year		-3,478	7,797
Cash and cash equivalents at the beginning of the year		67,389	59,592
Cash and cash equivalents at year end		63,911	67,389

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 2020 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.

Change in comparative figures

Immaterial reclassifications have been made in the comparison figures to comply with the current year presentation.

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.

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

Notes

1 Accounting policies (continued)

Income statement

Gross profit

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

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.

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.

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.

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

Property, plant and equipment

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.

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.

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 measured at amortised 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

DKK'000	Group		Parent Company	
	2020	2019	2020	2019
2 Average number of employees				
Average number of full-time employees	0	0	0	0
3 Fair value adjustments of investment properties				
Value adjustment of properties	-27,245	15,553	0	0
Gain on sale of properties	3,626	3,383	0	0
	-23,619	18,936	0	0
4 Other financial expenses				
Interest expense to group entities	11,811	9,644	11,811	9,644
Other financial costs	10,228	9,889	90	49
	22,039	19,533	11,901	9,693
5 Tax on profit/loss for the year				
Current tax for the year	-667	2,881	2	163
Deferred tax for the year	-4,172	2,119	-3,435	2,056
Adjustment of tax concerning previous years	1,749	0	1,749	0
	-3,090	5,000	-1,684	2,219
6 Proposed profit appropriation/distribution of loss				
Reserve for net revaluation under equity method	0	0	30,593	29,707
Retained earnings	-21,155	17,284	-51,748	-12,423
	-21,155	17,284	-21,155	17,284

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

Notes

7 Investment properties

	Group
DKK'000	Investment properties
Cost at 1 January 2020	646,428
Additions for the year	3,570
Disposals for the year	<u>-14,335</u>
Cost at 31 December 2020	<u>635,663</u>
Revaluations at 1 January 2020	236,372
Exchange adjustment	-27,246
Net profit/loss for the year	<u>-7,122</u>
Depreciation of goodwill	<u>202,004</u>
Depreciation and impairment losses at 31 December 2020	<u>0</u>
Carrying amount at 31 December 2020	<u><u>837,667</u></u>

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 properties, the following key assumptions have been applied:

- 2 properties are valued under the assumption of a continued rental situation applying an exit yield between 4.10 % and 4.50 %.
- 4 properties are valued under the assumption of a sale of flats applying a price per sqm in the range of DKK 32.5 – 43.2 thousand.

Sensitivity analysis

For the properties valued under the assumption of a continued rental situation the fair value amounts to DKK 637 mio. with an exit yield of 4.10 – 4.50 %. An increase of the exit yield by 0.25 percentage points would reduce the property value by DKK 40.5 mio. A decrease of the yield by 0.25 percentage points would increase the property value by DKK 46.7 mio.

For the properties valued under the assumption of a sale of flats the fair value amounts to DKK 230.4 mio. with a price per sqm in the range of DKK 32.5 – 43.2 thousands. A decrease in the price per sqm of 5.0 % would reduce the property value by DKK 11.5 mio. An increase in the price per sqm of 5.0 % would increase the property value by DKK 11.5 mio.

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8 Investments

	Parent Company
	<u>Equity investments in group entities</u>
DKK'000	
Cost at 1 January 2020	357,274
Cost at 31 December 2020	357,274
Revaluations at 1 January 2020	72,184
Dividends to the Parent Company	-19,000
Revaluations for the year, net	-11,593
Revaluations 31 December 2020	41,591
Carrying amount at 31 December 2020	398,865

Name/legal form	Registered office	Voting rights and ownership interest	Equity	Profit/loss for the year
Subsidiaries:			DKK'000	DKK'000
Pelargonie Investoraktieselskab	Copenhagen	100%	85,340	-2,349
Pelargonie Investoraktieselskab II	Copenhagen	100%	50,509	-1,410
Pelargonie Investoraktieselskab nr 3 ApS	Copenhagen	100%	35,099	989
Komplementarselskabet Pelargonie ApS	Copenhagen	100%	-53	-31
Pelargonie Kommanditaktieselskab	Copenhagen	100%	428,506	-12,810

9 Deferred tax

DKK'000	Group		Parent Company	
	2020	2019	2020	2019
Deferred tax 1 January	33,167	33,167	6,707	6,707
Adjustment of deferred tax in the incomestatement of the ye	-6,996	0	-3,436	0
Adjustment of deferred tax concerning previous years	0	0	0	0
	<u>26,171</u>	<u>33,167</u>	<u>3,271</u>	<u>6,707</u>

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10 Non-current liabilities other than provisions

DKK'000	Debt at 31/12 2020	Repayment, first year	Outstanding debt after five years
Mortgage loans	363,250	163	364,628
Shareholder loan	267,800	0	267,800
	<u>631,050</u>	<u>163</u>	<u>632,428</u>

DKK'000	Group		Parent Company	
	2020	2019	2020	2019

11 Other payables

Outstanding purchase price	0	3,808	0	3,808
Other	<u>7,509</u>	<u>3,075</u>	<u>296</u>	<u>98</u>
Other payables at 31 December	<u>7,509</u>	<u>6,883</u>	<u>296</u>	<u>3,906</u>

12 Mortgages and collateral

As collateral for its mortgage debt, DKK 363,250 thousand, the Group has provided collateral in investment properties with a carrying amount of DKK 837,667 thousand at 31 December 2020.

13 Related party disclosures

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

Control

Ejendomsselskabet PADK-3 ApS is part of the consolidated financial statements of Universal-Investment-Luxembourg S.A, 15, Rue De Flaxweiler, 6776, Grevenmacher, Luxembourg, which is the smallest and largest group, in which the Company is included as a subsidiary.

The consolidated financial statements of Universal-Investment-Luxembourg S.A, can be obtained by contacting the Company at the address above.

Related party transactions

Related party transactions comprise shareholder loan and interest on shareholder loan. We refer to note 5 and 11.

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14 Change in working capital

DKK'000	Group	
	2020	2019
Change in receivables	-909	341
Change in trade and other payables	1,114	807
	205	1,148