



PADK ASP ApS

Gammel Køge Landevej 57, 3.
2500 Valby
CVR No. 40207449

Annual report 2020

The Annual General Meeting adopted the
annual report on 04.05.2021

Kasper Hjort Midtgaard
Chairman of the General Meeting

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Entity details

Entity

PADK ASP ApS

Gammel Køge Landevej 57, 3.

2500 Valby

CVR No.: 40207449

Registered office: Copenhagen

Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Peter Matzen Drachmann, Chairman of the Board

Louise Hertz

Linda Bradaia

Executive Board

Louise Hertz, Chief Executive Officer

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of PADK ASP ApS for the financial year 01.01.2020 - 31.12.2020.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 04.05.2021

Executive Board


Louise Hertz
Chief Executive Officer

Board of Directors


Peter Matzen Drachmann
Chairman of the Board


Louise Hertz


Linda Bradaia

Independent auditor's report

To the shareholders of PADK ASP ApS

Opinion

We have audited the financial statements of PADK ASP ApS for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the 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 commentary.

Copenhagen, 04.05.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556



Thomas Hermann

State Authorised Public Accountant
Identification No (MNE) mne26740

Management commentary

Primary activities

The objects of the company are to serve as acquisition company for an alternative investment fund, including acquiring and possessing shares in subsidiary companies which buy, develop, hold and sell real estate as well as issue corporate bonds and any business related hereto.

Development in activities and finances

The Company's income statement for the year ended 31 December 2020 showed a loss of DKK 5,507 thousand and the Company's balance sheet at 31 December 2020 showed equity of DKK 66,427 thousand.

The Project 130 was hardly impacted by the pandemic during 2020. The object was completed on time on 10 July 2020. The occupancy rate of 50% was reached on 10 August 2020. The technical condition of the building corresponds to the contractually agreed.

The value of the property slightly increased since take-over and meets expectations. The letting was very successful since take-over. At the beginning of Q1 2021 an occupancy rate of 99% was reached.

The residential rental level meets the initial business plan. In terms of the commercial units the project is in line with the cash-flow. After eight months of operations we were able to lease the commercial units above the calculated rents.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2020

	Notes	2020 DKK	2019 DKK
Gross profit/loss		(217,065)	(1,149,063)
Income from investments in group enterprises		0	51,100,000
Other financial income	1	2,492,345	432,751
Other financial expenses	2	(9,335,250)	(7,126,914)
Profit/loss before tax		(7,059,970)	43,256,774
Tax on profit/loss for the year	3	1,552,703	1,726,000
Profit/loss for the year		(5,507,267)	44,982,774
Proposed distribution of profit and loss			
Retained earnings		(5,507,267)	44,982,774
Proposed distribution of profit and loss		(5,507,267)	44,982,774

Balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Investments in group enterprises		167,656,202	167,656,202
Other financial assets	4	167,656,202	167,656,202
Fixed assets		167,656,202	167,656,202
Receivables from group enterprises		67,591,462	92,001,435
Deferred tax		3,278,703	1,726,000
Prepayments		26,905	0
Receivables		70,897,070	93,727,435
Cash		1,131,044	544,835
Current assets		72,028,114	94,272,270
Assets		239,684,316	261,928,472

Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital		50,001	50,001
Share premium		0	26,902,317
Retained earnings		66,377,824	44,982,774
Equity		66,427,825	71,935,092
Payables to group enterprises		173,218,991	189,956,380
Non-current liabilities other than provisions	5	173,218,991	189,956,380
Other payables		37,500	37,000
Current liabilities other than provisions		37,500	37,000
Liabilities other than provisions		173,256,491	189,993,380
Equity and liabilities		239,684,316	261,928,472
Working conditions	6		
Contingent liabilities	7		
Related parties with controlling interest	8		

Statement of changes in equity for 2020

	Contributed capital DKK	Share premium DKK	Retained earnings DKK	Total DKK
Equity beginning of year	50,001	26,902,317	44,982,774	71,935,092
Transfer to reserves	0	(26,902,317)	26,902,317	0
Profit/loss for the year	0	0	(5,507,267)	(5,507,267)
Equity end of year	50,001	0	66,377,824	66,427,825

Notes

1 Other financial income

	2020 DKK	2019 DKK
Financial income from group enterprises	2,492,345	432,751
	2,492,345	432,751

2 Other financial expenses

	2020 DKK	2019 DKK
Financial expenses from group enterprises	9,262,611	6,956,380
Other interest expenses	66,181	119,627
Other financial expenses	6,458	50,907
	9,335,250	7,126,914

3 Tax on profit/loss for the year

	2020 DKK	2019 DKK
Change in deferred tax	(1,552,703)	(1,726,000)
	(1,552,703)	(1,726,000)

4 Financial assets

	Investments in group enterprises DKK
Cost beginning of year	167,656,202
Cost end of year	167,656,202
Carrying amount end of year	167,656,202

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Amager Strandvej 130 ApS	Copenhagen	ApS	100

5 Non-current liabilities other than provisions

	Due after more than 12 months 2020 DKK	Outstanding after 5 years 2020 DKK
Payables to group enterprises	173,218,991	173,218,991
	173,218,991	173,218,991

6 Working conditions

The Entity has no employees except for the CEO.

7 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

8 Related parties with controlling interest

The financial statements of PADK ASP ApS is included in the consolidated financial statements of PATRIZIA Living Cities Residential Fund SCS, SICAV-FIS, 41 avenue de la Liberté | L-1931 Luxembourg, where they can be obtained.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises external expenses.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Income from investments in group enterprises

Income from investments in group enterprises comprises dividends etc received from the individual group enterprises in the financial year.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies,

amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Investments in group enterprises

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. # However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.