
PADK ASP ApS

Dirch Passers Allé 76, DK-2000 Frederiksberg

Annual Report for 2021

CVR No. 40 20 74 49

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 25/5 2022

Rana Salame
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Financial Statements of PADK ASP ApS for the financial year 1 January - 31 December 2021.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Company and of the results of the Company operations for 2021.

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

Frederiksberg, 25 May 2022

Executive Board

Louise Hertz
CEO

Board of Directors

Peter Matzen Drachmann
Chairman

Linda Bradaia

Louise Hertz

Independent Auditor's report

To the shareholder of PADK ASP ApS

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the Financial Statements

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

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

Auditor's responsibilities for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Independent Auditor's report

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Hellerup, 25 May 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Morten Jørgensen

State Authorised Public Accountant

mne32806

Qasam Hussain

State Authorised Public Accountant

mne44159

Company information

The Company	PADK ASP ApS Dirch Passers Allé 76 DK-2000 Frederiksberg CVR No: 40 20 74 49 Financial period: 1 January - 31 December Municipality of reg. office: Frederiksberg
Board of Directors	Peter Matzen Drachmann, Chairman Linda Bradaia Louise Hertz
Executive board	Louise Hertz
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup

Income statement 1 January - 31 December

	Note	2021	2020
		DKK	DKK
Gross loss		-189,903	-217,065
Income from investments in subsidiaries	2	39,365,788	76,311,099
Financial income	3	2,485,535	2,492,345
Financial expenses	4	-8,649,574	-9,335,250
Profit/loss before tax		33,011,846	69,251,129
Tax on profit/loss for the year	5	1,397,867	1,552,703
Net profit/loss for the year		34,409,713	70,803,832

Distribution of profit

	2021	2020
	DKK	DKK
Proposed distribution of profit		
Reserve for net revaluation under the equity method	3,588,215	0
Retained earnings	30,821,498	70,803,832
	34,409,713	70,803,832

Balance sheet 31 December

Assets

	Note	2021	2020
		DKK	DKK
Investments in subsidiaries	6	171,244,417	131,878,629
Fixed asset investments		171,244,417	131,878,629
Fixed assets		171,244,417	131,878,629
Receivables from group enterprises		70,076,995	67,591,462
Deferred tax asset		4,676,570	3,278,703
Prepayments		0	26,905
Receivables		74,753,565	70,897,070
Cash at bank and in hand		956,765	1,131,044
Current assets		75,710,330	72,028,114
Assets		246,954,747	203,906,743

Balance sheet 31 December

Liabilities and equity

	Note	2021 DKK	2020 DKK
Share capital		50,001	50,001
Reserve for net revaluation under the equity method		3,588,215	0
Retained earnings		61,421,749	30,600,251
Equity		65,059,965	30,650,252
Payables to group enterprises		181,853,991	173,218,991
Long-term debt	7	181,853,991	173,218,991
Other payables		40,791	37,500
Short-term debt		40,791	37,500
Debt		181,894,782	173,256,491
Liabilities and equity		246,954,747	203,906,743
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Statement of changes in equity

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	50,001	0	30,600,251	30,650,252
Net profit/loss for the year	0	3,588,215	30,821,498	34,409,713
Equity at 31 December	50,001	3,588,215	61,421,749	65,059,965

Notes to the Financial Statements

1. Key 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.

<u>2021</u>	<u>2020</u>
DKK	DKK

2. Income from investments in subsidiaries

Income from investments in subsidiaries	39,365,788	76,311,099
	<u>39,365,788</u>	<u>76,311,099</u>

<u>2021</u>	<u>2020</u>
DKK	DKK

3. Financial income

Interest received from group enterprises	2,485,535	2,492,345
	<u>2,485,535</u>	<u>2,492,345</u>

<u>2021</u>	<u>2020</u>
DKK	DKK

4. Financial expenses

Interest paid to group enterprises	8,635,000	9,262,611
Other financial expenses	14,574	72,639
	<u>8,649,574</u>	<u>9,335,250</u>

<u>2021</u>	<u>2020</u>
DKK	DKK

5. Income tax expense

Deferred tax for the year	-1,397,867	-1,552,703
	<u>-1,397,867</u>	<u>-1,552,703</u>

Notes to the Financial Statements

	2021	2020
	DKK	DKK
6. Investments in subsidiaries		
Cost at 1 January	167,656,202	167,656,202
Cost at 31 December	167,656,202	167,656,202
Value adjustments at 1 January	-35,777,573	-112,088,672
Net profit/loss for the year	39,365,788	76,311,099
Value adjustments at 31 December	3,588,215	-35,777,573
Carrying amount at 31 December	171,244,417	131,878,629

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership and Votes
Amager Strandvej 130 ApS	Frederiksberg	125.001	100%

7. Long-term debt

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

The debt falls due for payment as specified below:

	2021	2020
	DKK	DKK
Payables to group enterprises		
After 5 years	0	0
Between 1 and 5 years	181,853,991	173,218,991
Long-term part	181,853,991	173,218,991
Within 1 year	0	0
	181,853,991	173,218,991

8. Staff

	2021	2020
Average number of employees	0	0

Notes to the Financial Statements

9. Contingent assets, liabilities and other financial obligations

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.

10. Related parties

Lici Euro Hold-Co S.à.r.l owns 100% of the shares in PADK ASP ApS.

The company is included in the consolidated financial statements for the ultimate parent company, PATRIZIA Living Cities Residential Fund 41 avenue de la Liberté | L-1931 Luxembourg

Notes to the Financial Statements

11. Accounting policies

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

The Financial Statements for 2021 are presented in DKK.

Changes in accounting policies

The company has changed accounting policies for measuring investments in subsidiaries from cost to equity method. The change has resulted in an increase of earnings before tax for the current year with DKK 33,012 thousand (2020: DKK 69,251 thousand). It has also affected the company's total assets with DKK 3,588 thousand (2020: DKK -35,778 thousand). Equity is affected by 3,588 (2020: DKK -35,778 thousand). The company's cash flow is not affected by the change.

Recognition and measurement

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

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

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

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

Translation policies

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

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

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

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

Income statement

Other external expenses

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

Notes to the Financial Statements

Gross loss

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

Income from investments in subsidiaries

The item “Income from investments in subsidiaries” in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

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

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance sheet

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item “Investments in subsidiaries” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to “Reserve for net revaluation under the equity method” under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Receivables

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

Prepayments

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

Deferred tax assets and liabilities

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

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Notes to the Financial Statements

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.