
PADK ASP ApS

Adelgade 15, 2., DK-1304 København K

Annual Report for 2022

CVR No. 40 20 74 49

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 17/5 2023

Emil Skov
Chairman of the
general meeting



Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's statement	1
Independent Auditor's report	2
Company information	
Company information	4
Financial Statements	
Income statement 1 January - 31 December	5
Balance sheet 31 December	6
Statement of changes in equity	8
Notes to the Financial Statements	9

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 2022.

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 2022 of the Company and of the results of the Company operations for 2022.

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

Copenhagen K, 17 May 2023

Executive Board

Anders Skovgaard Klingbeil
CEO

Board of Directors

Peter Matzen Drachmann
Chairman

Anders Skovgaard Klingbeil

Linda Bradaia

Albert Cornelis Tol

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 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 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 2022, 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, 17 May 2023

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 Adelgade 15, 2. DK-1304 København K CVR No: 40 20 74 49 Financial period: 1 January - 31 December Municipality of reg. office: København
Board of Directors	Peter Matzen Drachmann, chairman Anders Skovgaard Klingbeil Linda Bradaia Albert Cornelis Tol
Executive board	Anders Skovgaard Klingbeil
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup

Income statement 1 January - 31 December

	Note	2022	2021
		TDKK	TDKK
Gross loss		-358	-191
Income from investments in subsidiaries	3	-24,115	39,366
Financial income	4	2,486	2,486
Financial expenses	5	-8,642	-8,649
Profit/loss before tax		-30,629	33,012
Tax on profit/loss for the year	6	1,433	1,398
Net profit/loss for the year		-29,196	34,410

Distribution of profit

	2022	2021
	TDKK	TDKK
Proposed distribution of profit		
Reserve for net revaluation under the equity method	0	3,588
Retained earnings	-29,196	30,822
	-29,196	34,410

Balance sheet 31 December

Assets

	Note	2022 TDKK	2021 TDKK
Investments in subsidiaries	7	129,479	171,244
Fixed asset investments		129,479	171,244
Fixed assets		129,479	171,244
Receivables from group enterprises		62,540	70,077
Deferred tax asset		4,677	4,677
Corporation tax receivable from group enterprises		1,433	0
Receivables		68,650	74,754
Cash at bank and in hand		129	956
Current assets		68,779	75,710
Assets		198,258	246,954

Balance sheet 31 December

Liabilities and equity

	Note	2022	2021
		TDKK	TDKK
Share capital		50	50
Reserve for net revaluation under the equity method		0	3,588
Retained earnings		35,813	61,422
Equity		35,863	65,060
Payables to group enterprises		162,318	181,854
Long-term debt	8	162,318	181,854
Trade payables		21	0
Other payables		56	40
Short-term debt		77	40
Debt		162,395	181,894
Liabilities and equity		198,258	246,954
Key activities	1		
Staff	2		
Contingent assets, liabilities and other financial obligations	9		
Related parties	10		
Accounting Policies	11		

Statement of changes in equity

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	50	3,588	61,421	65,059
Transfers, reserves	0	-3,588	3,588	0
Net profit/loss for the year	0	0	-29,196	-29,196
Equity at 31 December	50	0	35,813	35,863

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.

2. Staff

Average number of employees

	<u>2022</u>	<u>2021</u>
	0	0

3. Income from investments in subsidiaries

Income from investments in subsidiaries

	<u>2022</u>	<u>2021</u>
	TDKK	TDKK
	-24,115	39,366
	<u>-24,115</u>	<u>39,366</u>

4. Financial income

Interest received from group enterprises

	<u>2022</u>	<u>2021</u>
	TDKK	TDKK
	2,486	2,486
	<u>2,486</u>	<u>2,486</u>

5. Financial expenses

Interest paid to group enterprises

Other financial expenses

	<u>2022</u>	<u>2021</u>
	TDKK	TDKK
	8,635	8,635
	7	14
	<u>8,642</u>	<u>8,649</u>

Notes to the Financial Statements

	2022	2021
	TDKK	TDKK
6. Income tax expense		
Current tax for the year	-1,433	0
Deferred tax for the year	0	-1,398
	<u>-1,433</u>	<u>-1,398</u>

	2022	2021
	TDKK	TDKK
7. Investments in subsidiaries		
Cost at 1 January	167,656	167,656
Cost at 31 December	<u>167,656</u>	<u>167,656</u>
Value adjustments at 1 January	3,588	-35,778
Net profit/loss for the year	-24,115	39,366
Dividend to the Parent Company	-17,650	0
Value adjustments at 31 December	<u>-38,177</u>	<u>3,588</u>
Carrying amount at 31 December	<u>129,479</u>	<u>171,244</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Ownership
Amager Strandvej 130 ApS	Copenhagen	100%

Notes to the Financial Statements

8. 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:

	<u>2022</u>	<u>2021</u>
	TDKK	TDKK
Payables to group enterprises		
After 5 years	0	0
Between 1 and 5 years	<u>162,318</u>	<u>181,854</u>
Long-term part	<u>162,318</u>	<u>181,854</u>
Within 1 year	<u>0</u>	<u>0</u>
	<u>162,318</u>	<u>181,854</u>

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 2022 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 accounting policies applied remain unchanged from last year.

The Financial Statements for 2022 are presented in TDKK.

Consolidated financial statements

With reference to section 110 of the Danish Financial Statements Act, no consolidated financial statements are prepared.

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 as well as office expenses, etc.

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.

Notes to the Financial Statements

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.

The Company is jointly taxed with Amager Strandvej 130 ApS. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

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.

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.

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.

Notes to the Financial Statements

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial debts

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