
Hugin Property Holding ApS

c/o Patrizia Denmark A/S, Adelgade 15, 2., DK-1304
Copenhagen K

Annual Report for 2023

CVR No. 41 51 77 27

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 11/6 2024

Emil Skov
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 Annual Report of Hugin Property Holding ApS for the financial year 1 January - 31 December 2023.

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 2023 of the Company and of the results of the Company operations for 2023.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen K, 11 June 2024

Executive Board

Anders Skovgaard Klingbeil
CEO

Board of Directors

Peter Matzen Drachmann
Chairman

Anders Skovgaard Klingbeil

Mirlinda Goci

Albert Cornelis Tol

Independent Auditor's report

To the shareholder of Hugin Property Holding ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Hugin Property Holding ApS for the financial year 1 January - 31 December 2023, 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, 11 June 2024

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	Hugin Property Holding ApS c/o Patrizia Denmark A/S Adelgade 15, 2. 1304 Copenhagen K CVR No: 41 51 77 27 Financial period: 1 January - 31 December Incorporated: 10 July 2020 Financial year: 4th financial year Municipality of reg. office: Copenhagen
Board of Directors	Peter Matzen Drachmann, chairman Anders Skovgaard Klingbeil Mirlinda Goci Albert Cornelis Tol
Executive Board	Anders Skovgaard Klingbeil
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Income statement 1 January - 31 December

	Note	2023	2022
		TDKK	TDKK
Gross loss		-146	-396
Income from investments in subsidiaries		-8,873	366
Financial expenses	3	-710	-764
Profit/loss before tax		-9,729	-794
Tax on profit/loss for the year	4	60	255
Net profit/loss for the year		-9,669	-539
 Distribution of profit			
		2023	2022
		TDKK	TDKK
Proposed distribution of profit			
Extraordinary dividend paid		1,000	0
Retained earnings		-10,669	-539
		-9,669	-539

Balance sheet 31 December

Assets

	Note	2023	2022
		TDKK	TDKK
Investments in subsidiaries	5	94,185	110,445
Fixed asset investments		94,185	110,445
Fixed assets		94,185	110,445
Other receivables		318	0
Deferred tax asset		59	348
Corporation tax receivable from group enterprises		32	0
Prepayments		36	0
Receivables		445	348
Cash at bank and in hand		510	39
Current assets		955	387
Assets		95,140	110,832

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		TDKK	TDKK
Share capital		50	50
Reserve for net revaluation under the equity method		43,455	14,395
Retained earnings		28,714	72,830
Equity		<u>72,219</u>	<u>87,275</u>
Payables to group enterprises		20,005	20,005
Long-term debt	6	<u>20,005</u>	<u>20,005</u>
Trade payables		206	135
Payables to group enterprises	6	2,710	3,417
Short-term debt		<u>2,916</u>	<u>3,552</u>
Debt		<u>22,921</u>	<u>23,557</u>
Liabilities and equity		<u>95,140</u>	<u>110,832</u>
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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	47,842	39,383	87,275
Extraordinary dividend paid	0	0	-1,000	-1,000
Fair value adjustment of hedging instruments, end of year	0	-4,387	0	-4,387
Net profit/loss for the year	0	0	-9,669	-9,669
Equity at 31 December	50	43,455	28,714	72,219

Notes to the Financial Statements

1. Key activities

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

2. Staff

Average number of employees

	<u>2023</u>	<u>2022</u>
	0	0

3. Financial expenses

Interest paid to group enterprises

Other financial expenses

	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
	710	761
	0	3
	<u>710</u>	<u>764</u>

4. Income tax expense

Current tax for the year

Deferred tax for the year

Adjustment of deferred tax concerning previous years

	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
	-32	0
	289	-255
	-317	0
	<u>-60</u>	<u>-255</u>

Notes to the Financial Statements

	2023	2022
	TDKK	TDKK
5. Investments in subsidiaries		
Cost at 1 January	62,603	60,703
Additions for the year	0	1,900
Cost at 31 December	<u>62,603</u>	<u>62,603</u>
Value adjustments at 1 January	47,842	34,981
Net profit/loss for the year	-8,873	-1,534
Dividend to the Parent Company	-3,000	0
Fair value adjustment of hedging instruments for the year	-4,387	14,395
Value adjustments at 31 December	<u>31,582</u>	<u>47,842</u>
Carrying amount at 31 December	<u>94,185</u>	<u>110,445</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Ownership	Equity	Net profit/loss for the year
Blok C2 ApS	Copenhagen	100%	94,185	-8,873

	2023	2022
	TDKK	TDKK
6. 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:

Payables to group enterprises

After 5 years	20,005	20,005
Long-term part	20,005	20,005
Within 1 year	2,000	2,101
Other short-term debt to group enterprises	710	1,316
	<u>22,715</u>	<u>23,422</u>

Notes to the Financial Statements

7. Contingent assets, liabilities and other financial obligations

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of LiCi Valhalla ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

8. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

<u>Name</u>	<u>Place of registered office</u>
Patrizia Living Cities Residential Fund	41 Avenue de la Lieberté L-1931 Luxembourg

Notes to the Financial Statements

9. Accounting policies

The Annual Report of Hugin Property Holding ApS for 2023 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 2023 are presented in TDKK.

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 decrease of earnings before tax for the current year with DKK -8,873 thousand (2022: Positive DKK 366 thousand). It has also affected the company's total assets with DKK 47,842 thousand (2022: DKK 56,609 thousand). Equity is affected by 31,582 (2022: DKK 47,842 thousand).

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

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. Gains and losses 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.

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.

Notes to the Financial Statements

Gross loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss comprises of 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.

The Company is jointly taxed with LiCi Valhalla 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 with deduction or addition of unrealised intercompany profits or losses.

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 at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

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.

Notes to the Financial Statements

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.

Financial liabilities

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