



2023 ANNUAL REPORT

Company: Park Street A/S
CVR: 12932502

Svanvej 12
2400 København NV

Accounting period: 1 January - 31 December 2023

Chair: Anita Nassar

26 April 2024

Company:

Park Street A/S
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Board of Directors:

Anita Nassar, Chair
Claes Peter Rading
Ohene Aku Kwabong
Pradeep Pattem
Medha Pattem

Management:

CEO Pradeep Pattem

Auditor:

PriceWaterhouseCoopers Statsautoriseret Revisionspartnerselskab

Main activity:

Park Street is a fully integrated European real estate investment and asset management company with offices in Copenhagen and London. It owns and manages a large portfolio of commercial properties located across Denmark.

Annual General Meeting:

Annual General Meeting to be held on 26th April 2024 at 14:00 at Svanevej 12, 2400 Copenhagen NV, Denmark.

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Main Activity

Park Street is a fully integrated European real estate investment and asset management company with offices in Copenhagen and London. It owns and manages a large portfolio of commercial properties located across Denmark.

Results of the year 2023

Park Street result analysis primarily uses the term EBVAT (Earnings before value adjustments and tax) to measure the Group's operating results.

The Group achieved in 2023 an EBVAT (profit excluding value adjustments and tax) of DKK 41.4 million (2022:DKK 42.9 million), as compared to expectations of DKK 45-50 million (published in the Park Street Interim Report Half Year 2023 results announcement in Aug 2023), primarily driven due to a combination of reduction in number of assets from sale of properties, leading to lower income, combined with an increase in financial expenses due to changes in interest rates. Furthermore, there was an increase in new leasing adding to costs for marketing activity, and an increase in energy costs related to vacant units.

We expect the EBVAT for 2024 to be DKK 30-40 million in view of potential new leases in the pipeline and an expected reduction in costs. This outlook takes note of sale of 3 further properties subsequently in 2024. This could change with any significant further sales or additions to the property portfolio.

The evolution of the EBVAT is influenced by the following factors:

- Gross profit in 2023 is DKK 121.9 million (2022: DKK 104.7 million), equivalent to a increase of DKK 17.2 million. The increase in gross profit is primarily due to rental income (DKK 9.2 million).
- The Group's overheads were DKK 28.1 million in 2023 against DKK 31.8 million in 2022. The decrease of DKK 3.7 million is caused by a savings in employee cost and depreciation.
- Net financial items amount to DKK -52.4 million in 2023 against DKK -29.9 million in 2022, representing a negative change of DKK 22.5 million driven by an increase in the interest costs

The decrease in the Net Result for the period from DKK 55 million in 2022 to DKK -24.2 million in 2023 is due to the following effects:

- Fair value adjustment in 2023 with a net of DKK -73.8 million against DKK 36.6 million in 2022. In both periods an evaluation of the domicile and investment properties have been made adjusting the yield and the estimated profit and loss for the entire portfolio of Park Street A/S and subsidiaries.

The Group's equity as at 31 December 2023 was DKK 1,060 million, compared to DKK 1,087 million as at 31 December 2022. The decline in equity is due to the loss during the year.

The operation of the Group's properties in 2023 included negotiations and closings of several new leases and sale of assets not core to Park Street. This should positively impact the performance of 2023 towards reducing vacant unit costs while enhancing the top line. However there are further lease terminations which need to be marketed. While the investment and interest rate environment has turned challenging, the demand for new leases and market rental levels continue to see positive traction. The current vacancy rate (calculated by rental value) for the Group's investment properties has decreased to 16.34% in 2023 (20.47% in 2022) driven by Storage 41.92% in 2023 (53.54% in 2022) while it has increased for Retail 28.64% in 2023 (13.67% in 2022) and Office 18.51% in 2023 (17.46% in 2022).

Property acquisitions and sales

In 2023, Park Street sold the following properties and plots:

- Residential building in Dæmningen, Vejle
- Retail building in Stenbukken, Aalborg
- Residential building in Møllergade 1, Svendborg

Organisation

Since April of 2023 when the Annual General Meeting of the Company took place the Board of Directors of Park Street consists of Pradeep Pattem, Ohene Aku Kwabong, Anita Nassar, Medha Pattem and Claes Peter Rading.

The number of employees of Park Street (parent company) were 9 by the end of 2023, against 18 at the start of the year.

Subsequent events after 31 December 2023

Park Street has sold three assets (Project NV), viz., Hejrevej 26-28 (Hejrevej), Hejrevej 30, (Hejrevej), and Svanavej 12, (Ømevej) to a total amount of DKK 270 Million.

From the balance sheet date until the date of presentation of this Annual Report no additional events have occurred other than the above mentioned which significantly affect the assessment of the annual report.



Park Street – Journey to here

Park Street was setup in 2014 to identify and invest in Real Estate opportunities – in particular, assets embedded in capital structure challenges or with value-add potential.

Park Street invested across Europe (UK, Germany, Norway, Spain etc.) before the acquisition of Nordicom portfolio in Denmark in 2017.

The portfolio of assets are now concentrated in Denmark with assets across sectors: Residential, Offices, Hotels and Retail, in the form of Park Street A/S.

Current challenging CRE market across Europe creates an opportunity for Park Street's strategy to diversify into new opportunities and to rebalance its portfolio.

Our strategy in 2024 will aim for a bold shift towards creating distinct Capital and Business strategy for each part of our current portfolio.

A simplified company and portfolio structure will facilitate new capital, financing and focused asset management – we will take steps towards implementing this.

Retail assets in Aalborg, Svendborg and Vejle were sold to regional investors in 2023. Park Street also sold several non-core assets in 2024, including 3 office assets in Copenhagen.



Park Street – Our path

We at Park Street share an ambition defined by...

Our Common Purpose



1

Simplify Real Estate Management

2

Create Value across each activity of Real Estate Management we undertake

3

Let our Way of Work be - Design Driven: make every step and outcome to be Transparent, Simple and Beautiful

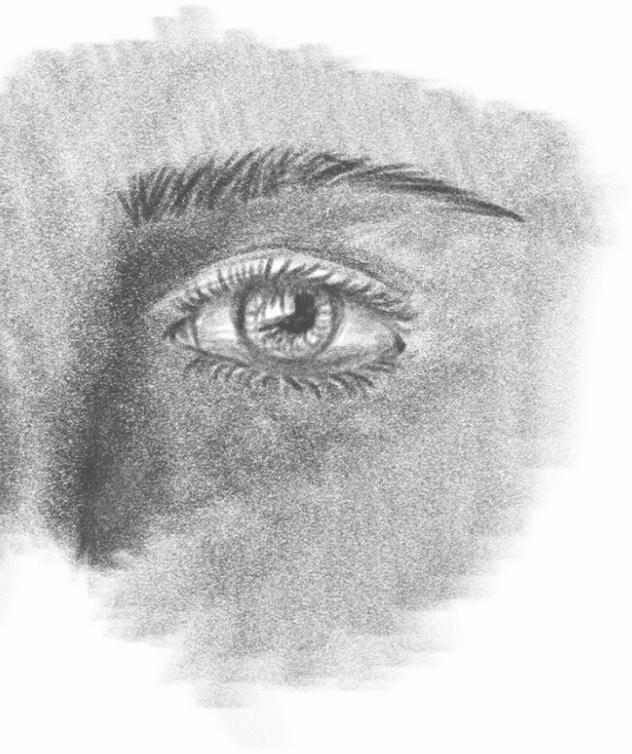
4

With Technology as a way for developing simple and effective systems to facilitate the Way of Working

5

As a team to take on Interesting and Challenging Problems in Real Estate and resolve them Creatively and Systematically for the long term value creation





Our intention is bring together members of team and partners who share some common values and way of working together.

6 DIMENSIONS

As a team we would like to make
our Working Together...

- 1 Simple**
- 2 Beautiful**
- 3 Honest**
- 4 Exceptional**
- 5 Happy**
- 6 Free**

We are all very different, in our roots, education, life journeys so far, beliefs, books we like and the movies we enjoy.

There are still some aspects which are highly valued across all of us.

1 Humility

2 Intellectual Curiosity

3 Intellectual Honesty

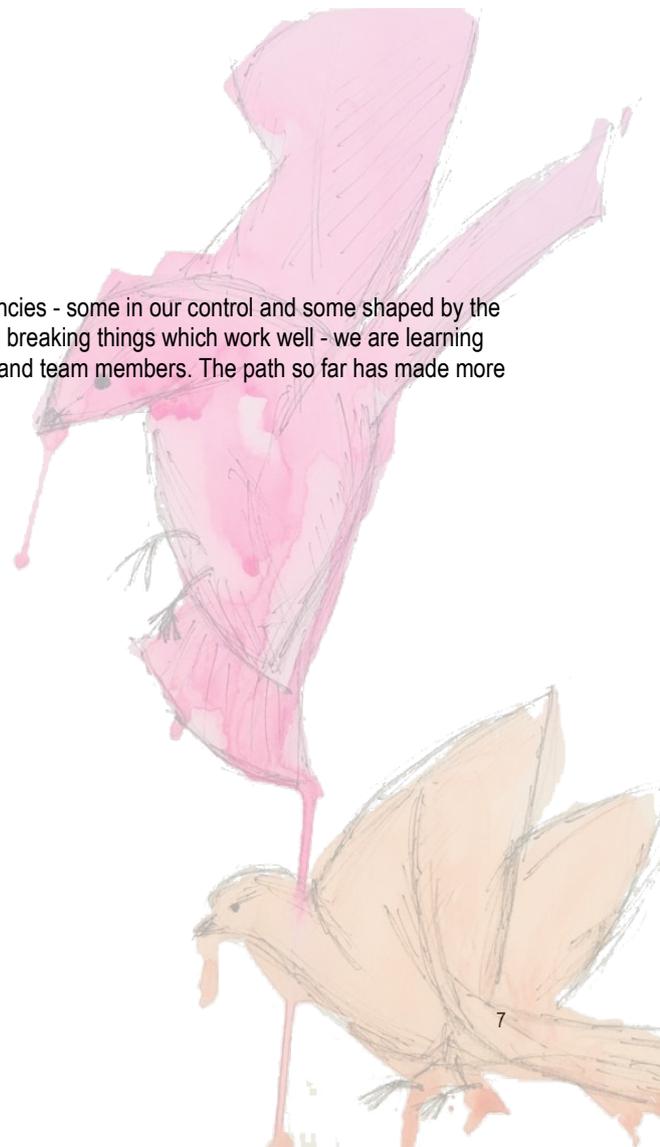
4 Sense of Responsibility

5 Judgement Ability

6 Courage to Dream

7 Diligence and Care

As we shape our way, the path itself is filled with several obstacles and inefficiencies - some in our control and some shaped by the nature of industry. Our attempts to improve things at times lead to disturbing and breaking things which work well - we are learning from it and working towards better outcomes for our tenants, buildings, partners and team members. The path so far has made more aware of Janteloven.



Park Street – Way forward

Park Street A/S will seek Board and Shareholder approval to delist within 2024, subject to Nasdaq approval.

Park Street will aim to allocate capital with a clean split of corporate structure and seek further opportunities across:

1. Stable Core Portfolio
 - Low LTV (60%) long term debt
 - High occupancy diversified leases
 - 14%+ Return of Equity
 - 8%+ dividend potential
 - 23 Asset from our current portfolio
2. Pulse Living
 - Living Spaces for young professionals
 - Develop, Manage and Partner across Europe
 - 2 Assets from our current portfolio and existing pulse platform to be further scaled
3. Spark Spaces
 - Create Work Live Play environment
 - 2 Assets from our current portfolio seed this opportunity
 - Key area to identify new opportunities requiring new capital and design / asset management.
4. Other Assets
 - Park Street will retain 2 Hotels and 4 project sites for the long run.
 - 8 remaining non-core assets will be aimed to be disposed within 2024.



42 assets



188,174 m²



Portfolio Value
DKK 2,375 mln*



Current NOI
DKK 90 mln



12 Month Target NOI
DKK 110 mln



~ 400 tenants

*The Portfolio Value excludes the properties which have been sold in 2024.

Stable Portfolio



23 assets



64,691 m²



Portfolio Value
DKK 590 mln



Current NOI
DKK 45 mln



12 Month Target NOI
DKK 50 mln

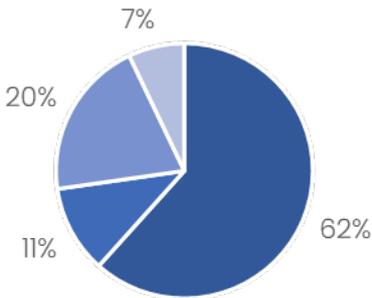


LTV 57%

Stable Core Portfolio

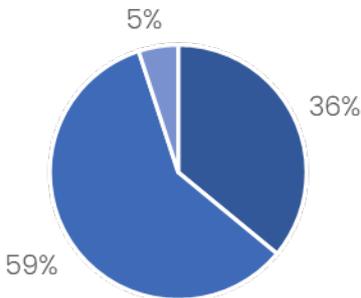
- Maintain and selectively rebalance the portfolio with following characteristics
 - Low LTV (60%) long term debt
 - High occupancy diversified leases
 - 14%+ Return of Equity
 - 8%+ dividend potential
 - 23 Asset from our current portfolio
- Develop long term partnerships with Mortgage Institutions and capital

NOI by Region



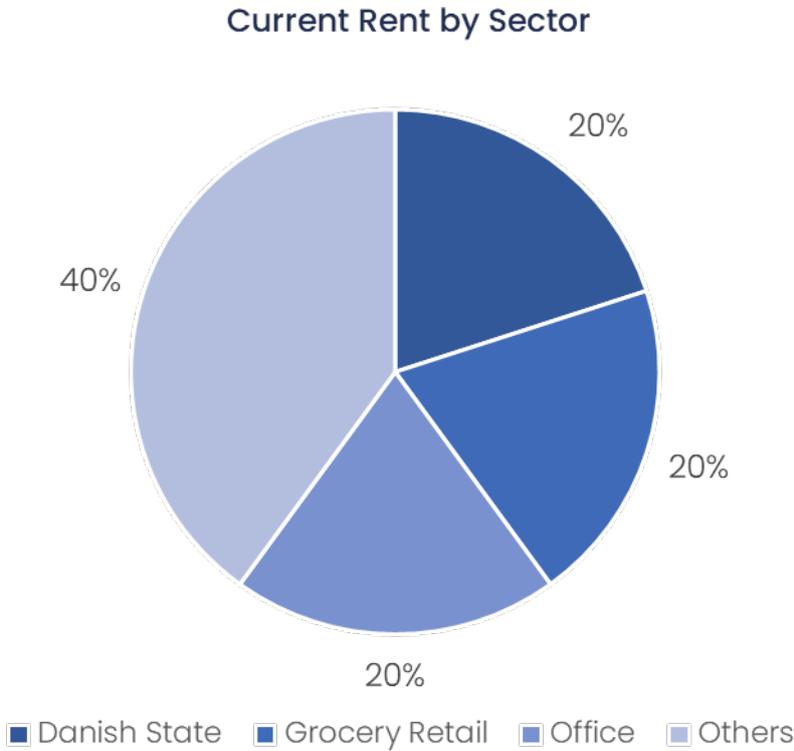
■ Zealand ■ Fyn ■ Triangle Region ■ Jutland

NOI by Property Type



■ Office ■ Retail ■ Others

Largest 20 aggregated tenants cover 75% of total current rent



5,1

- 1. **Danish Government** is 20% of rent in this portfolio across four locations in Kolding, Svendborg and Næstved.
- 2. **Grocery Retail** includes tenants as **Salling Group, LIDL and Rema 1000** across 4 locations.
- 3. **Office tenants** including **Tesla, GLS, 9Altitudes** is 20% of the rent.
- 4. The remaining 40% rent is across a diversified portfolio of over 100 tenants.





PULSE
LIVING



2 assets



23,166 m²



Current NOI DKK 20 mln



12 Month Target NOI
DKK 38 mln



+400 beds

- Pulse Living is focused in shaping a vibrant living environment for young professionals' platform.
- A scalable design, development and community development platform is shaped and tested at Pulse Nørrebro and Østerbro.
- Assets in the sector a both immense interest and fit for long term institutional capital.
- Pulse Living will aim to scale up the platform with stable long-term capital with its focus on further developing a tech driven platform and creating vibrant connected communities.



2023: First Pulse N resident gathering



2022: Pulse N project construction kicks off

Pulse Living: Pulse N

We are a team with a common purpose

Pulse Living Purpose

- 1**
A Safe and Beautiful Home
- 2**
Inspiring
- 3**
Surrounded by Kind Community
- 4**
A Positive Impact on Society and Surroundings
- 5**
Truthful and Simple



Societies and Captains

Pulse Arts Club: Literature, Music, Art, Theatre and Philosophy.

Culture Society (CulSoc): Exploring world's cultures through festivals, food and travel.

Explore Society: Explore new frontiers of technology, economics and entrepreneurship through talks, workshops and projects.

Pulse Sports: Badminton, volleyball, table tennis, basketball, football and more.

Further societies can be created by the Pulse Residents.

Pulse will support with DKK 20,000 per active society (up to 5) each year for key events and material.

Each active society (20+ members) shall have at least **1 Captain** and **1 Vice Captain** who will be rotated every six months and selected by society members. The societies will be self managed.

Floor Captain: Each floor shall have 1 Floor Captain to facilitate positive participation of the floor in shaping Pulse.

Pulse Living Captains: 3 Captains to represent overall functioning and shaping of Pulse.

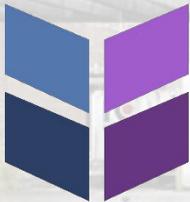
All Captains together could shape and further facilitate changes to House Rules and Guidelines for the overall good of Pulse Living in coordination with Pulse Living Center Management.

Make it Beautiful Budget: DKK 100,000 per year managed by Pulse Captain, executed by Pulse Living.



Pulse Living: Pulse O





SPARK

S p a c e s



2 assets



34,255 m²



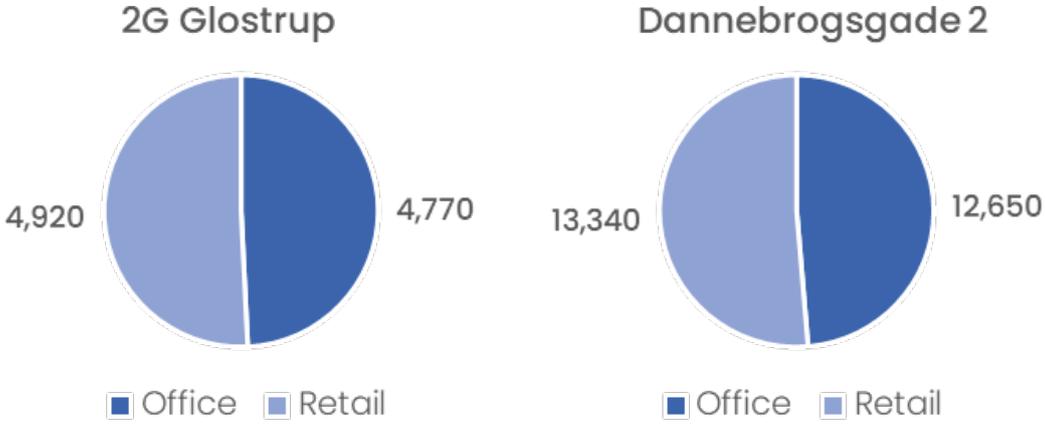
Current NOI DKK 8 mln



12 Month Target NOI
DKK 10 mln

- Globally city planning is shifting towards creating vibrant urban area with a community shaped by work areas, living spaces and entertainment spaces.
- Park Street sees immense opportunity to work with local municipality of Odense and Glostrup to develop such spaces across its two assets in the area.
- Initial focus would be to fill the spaces of current building while planning towards a larger plan for connected living spaces.
- Park Street will allocate capital for bringing life to current buildings and over next years seek to partner with long term capital for future developments / additions.

Spark Spaces current split (Area m²)

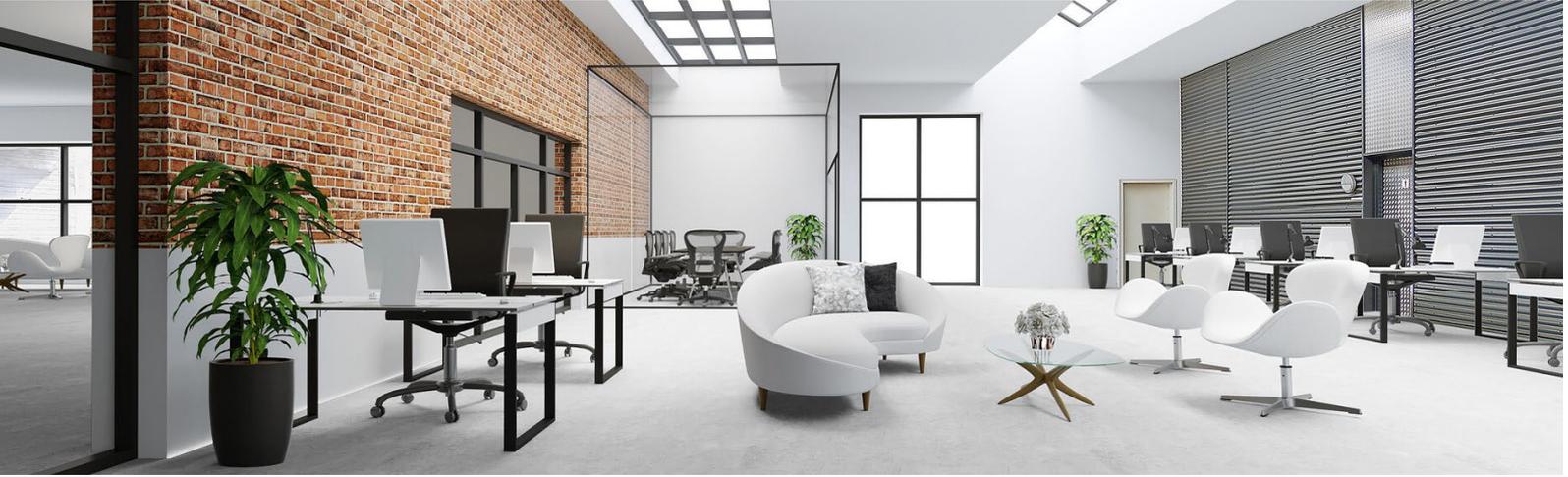
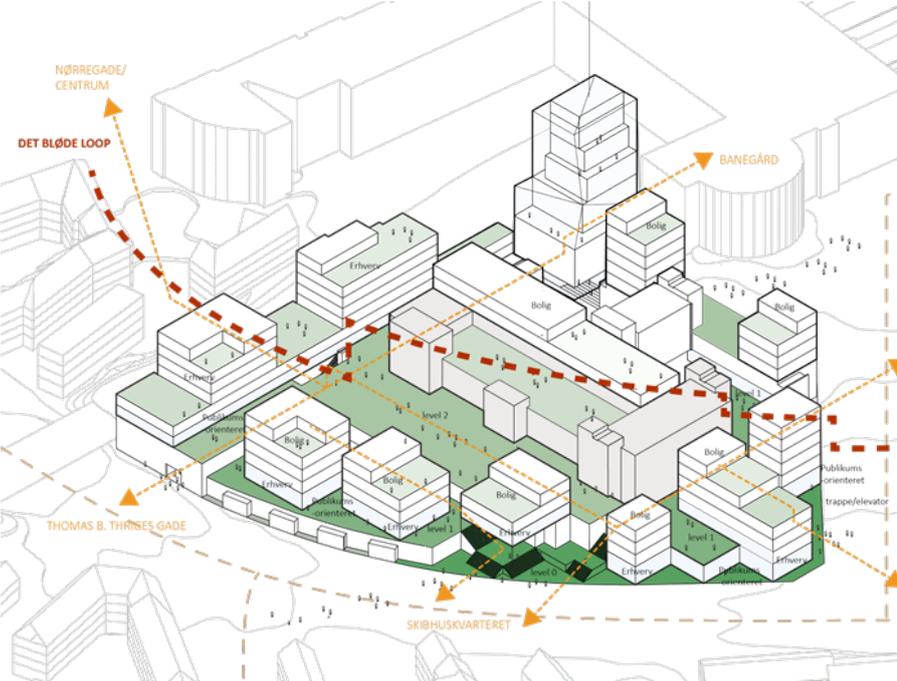


Potential building rights of +10,000 m² for “living” space

Spark Spaces: 2G Glostrup



Spark Spaces: Dannebrogsgade vision



Other Portfolio

Pulse Hotels



2 assets



9,110 m²



Current NOI DKK 16 mln



12 Month Target
NOI DKK 16 mln



LTV 49%

- Hotel Prindsen is an exceptional property with several centuries of history as a hotel.
- Park Street will seek to reposition the hotel as a luxury destination in the long run once the current lease concludes in 2030.
- Ballerup hotel is a high performing hotel with a stable management contract.
- Park Street has no plans for additional capital to this segment this year.



Projects



4 assets



36,103 m²



Portfolio Value DKK 250 mIn



LTV 5%

- Park Street owns 2 significant project assets in Taastrup and in Vejle.
- Pulse T will be initiated as a Pulse Living project once standalone Financing and Capital is obtained.
- Building permit and design finalization will be concluded for Pulse T.
- Park Street will work with Vejle Kommune to shape the design/planning for long term development of Sjellansgade property.
- All land and project assets are with no or minimal debt currently and any new investment will be done with a standalone capital and financing with partners.



Projects: Pulse T and Sjællandsgade



Financial Highlights

Key figures

Amounts in DKK 1000s	2023	2022	2021	2020	2019
Income statement					
Rental income	145,503	136,348	124,328	126,903	147,518
Total net sales	166,142	153,281	158,264	172,669	203,166
Gross profit	121,915	104,675	117,418	124,979	150,093
Result from primary operations	-34,917	74,499	187,225	187,929	146,021
Financial items	-52,424	-29,932	-25,881	-25,757	-29,105
Earnings before value adjustments and tax (EBVAT)	41,369	42,898	56,866	69,983	83,223
Result for the period	-24,245	54,980	145,459	145,491	115,053
Statement of financial position					
Investment properties	2,436,714	2,521,581	2,615,015	2,462,633	2,477,995
Investments in property, plant and equipment	65,284	-15,061	25,803	36,991	19,259
Balance sheet total	2,716,690	2,807,465	3,020,749	2,723,067	2,772,843
Interest-bearing debt	1,335,662	1,402,935	1,509,471	1,405,024	1,633,364
Total equity	1,059,959	1,087,024	1,217,038	1,071,946	931,133
Statement of cash flows					
Cash flows from operations	50,742	40,219	57,999	61,966	92,856
Cash flows from investment	208	116,508	-17,777	137,919	-125,487
Cash flows from financing	-47,274	-290,015	104,447	-238,341	39,927
Other disclosures					
Non-current liabilities as a proportion of total liabilities (%)	95.2	95.6	95.7	94.1	89.7
Share capital	57,175	57,175	67,513	67,513	67,513
Share price, end of period (DKK)	7.70	13.90	14.10	10.00	6.65
Share price change in points	-6.20	-0.20	4.10	3.35	-0.05
Dividend per share	0.0	0.0	0.0	0.0	0.0
Number of employees in the Group (average)	22	27	26	26	32

Financial ratios

	2023	2022	2021	2020	2019
Return on property portfolio (% p.a.)	4.6	3.9	4.3	4.7	5.8
Average loan rate (% p.a.)	3.8	2.1	1.8	1.8	1.8
Return margin on property portfolio (% p.a.)	0.8	1.8	2.5	2.9	4.0
Return on equity (%)	-2.3	5.1	11.9	13.6	12.4
Equity ratio (%)	39.0	38.7	40.3	39.4	33.6
Net asset value per share, end of period (DKK)	18.5	19.0	18.0	15.9	13.8
Earnings per share (avg. Number of shares) (DKK)	-0.4	1.1	2.2	2.2	1.7
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0
Share Price/net asset value, end of period	0.4	0.3	0.4	0.4	0.5
Cash flow per share (DKK)	0.9	0.7	0.9	0.9	1.4

The above financial ratios are calculated in accordance with the definitions in Note 22 to the parent company financial statements in the Annual report for 2023.

Financial Results

Segment Information

Park Street does not present segment information and the Group's portfolio is presented as one.

Operation from Investment Properties

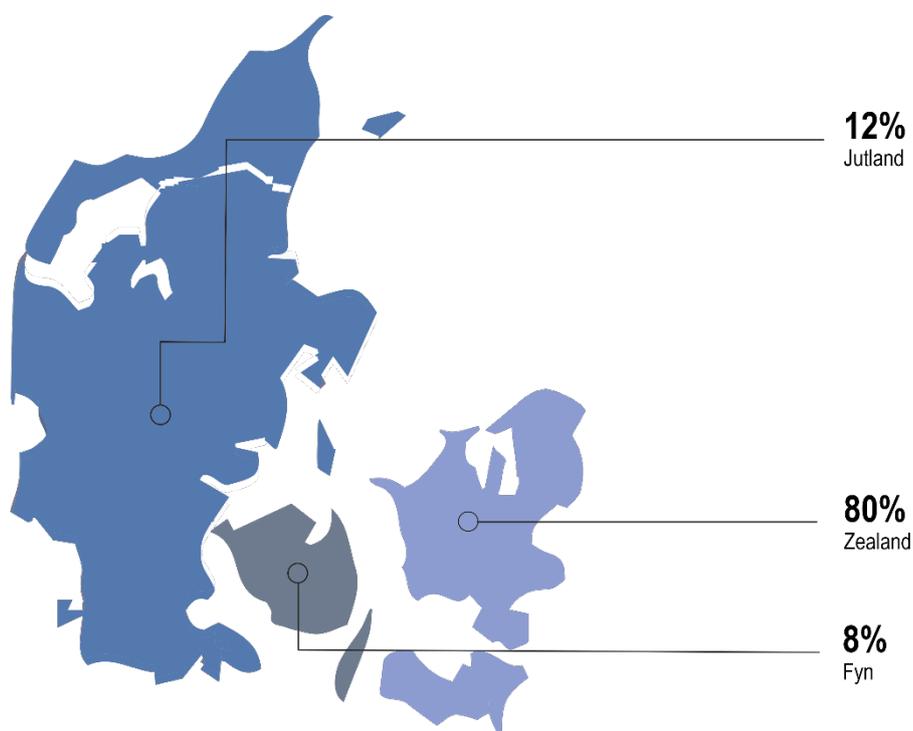
The Group's investment properties at 31 December 2023 is composed of all the Group's 40 properties, excluding

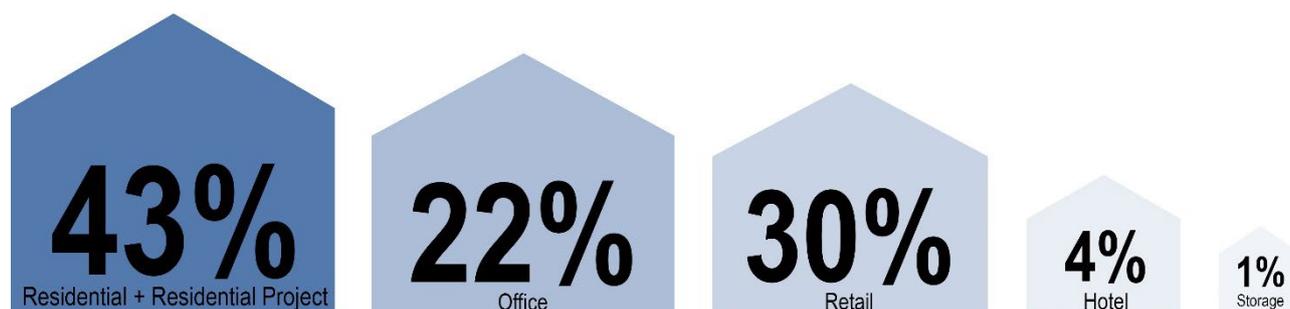
- 2 properties classified as domicile property

The Group's investment properties are geographically concentrated in Greater Copenhagen and Zealand. Based on investment property values, the portfolio allocates as follows:

Amount in Million DKK	2023		2022	
Zealand	1,902	78%	1,876	74%
Fyn	220	9%	233	9%
Jutland	314	13%	413	17%
Total	2,436		2,522	

The annual rent per square meter (in DKK) for the year 2023 in the aforementioned regions is, Zealand – 1,257; Fyn – 873, Jutland – 801.





The breakdown by activity based the property value is split as follows:

Amount in Million DKK	2023		2022	
Residential	878	36%	479	17%
Residential Project	175	7%	511	20%
Office	525	22%	629	25%
Retail	729	30%	824	33%
Hotel	97	4%	99	4%
Storage	32	1%	24	1%
Total	2.436		2.522	

The following table shows the calculated average vacancy divided by property types:

Average vacancy in %	2023	2022
Retail	28.64	13.67
Office	18.51	17.46
Residential	8.88	8.83
Storage	41.92	53.54
Hotel	0.00	0.00
Total	16.34	20.47

The following table shows the calculated average gross rent obtained divided by property types on properties held at 31 December 2023:

Avg. gross rent per sqm p.a. (DKK)	2023	2022
Retail	1,142	1,058
Office	934	1,110
Residential	2,371	2,059
Storage	403	412
Hotel	1,711	1,678
Total	1,144	1,136

Consolidated Financial Review

PROFIT AND LOSS

Park Street's Net Result is DKK -24.2 million for 2023 (2022: DKK 55 million), equivalent to a change of DKK 79.2 million in relation to 2022.

As mentioned above the EBVAT in 2023 is DKK 41.4 million (2022: DKK 42.9 million), which is DKK 1.5 million lower than the one achieved in 2022. The reduction is primarily driven by an increase in the financial expenses (DKK -22.5 million), due to an increase in the average loan rate to 3.8% p.a. (2022: 2.1% p.a.) and primarily driven by the sale of properties, intentional vacancy to initiate residential projects and a delay on filling vacancies. This has partially been offset by an increase in rental income (DKK 7.2 million).

The Net Result for the period is DKK -24.2 million (2022: DKK 55 million) is due to fair value adjustment in 2023 with a net of DKK -73.8 million while the fair value adjustment in 2022 had a net effect of DKK 36.1 million. To finalize, the effect of the Tax on profit in 2023 is DKK 10.7 million (2022: DKK -19.5 million) due to a significant reduction in fair value adjustments.

BALANCE SHEET

Park Street's Net Assets as at 31 December 2023 were DKK 2,716.7 million, a decrease of DKK 72.7 million on the balance sheet total at 31 December 2022. The decline is mainly due to sale of investment properties leading to a reduction of DKK 84.8 million and an increase in current assets of DKK 2 million (from DKK 78.6 million at 31 December 2022 to DKK 80.6 million at 31 December 2023) due to proceeds from sale of investment properties, financing and re-financing activities. There was a negative revaluation of investment and domicile properties of DKK 72 million. Non-current assets were DKK 2,636.1 million at 31 December 2023 (2022: DKK 2,728.8 million).

The Group's equity as at 31 December 2023 was DKK 1,060 million, compared to DKK 1,087 million as at 31 December 2022. The decline in the Group's equity is mainly due to the losses for the period worth DKK 24.2 million.

Liabilities to credit institutions were DKK 1,355.7 million as at 31 December 2023 (31 December 2022: DKK 1,402.9 million), consisting of DKK 1,332.7 million (98%) for non-current liabilities and DKK 23 million (2%) for current liabilities. In 2023, financial liabilities were decreased by DKK 47.3 million driven by decrease in debt and amortization repayments to credit institutions.

CASH FLOWS FOR 2023

Cash flows from operating activities for 2023 were DKK 50.7 million (2022: DKK 40.2 million), equivalent to an increase of DKK 10.5 million in relation to the same period last year. The increase is primarily due to increase in operating capital and operating profit.

Cash flows from investing activities for 2023 were DKK 208 thousand (2022: DKK 116.5 million). Cash flows from investing activities decreased compared to the previous year due to lesser sale of assets in 2023 as compared to 2022 (2023: DKK 76.4 million, 2022: DKK 216.2 million). There was higher improvements made to investment properties of DKK -78.2 million (2022: DKK -99 million).

Cash flows from financing activities for 2023 were DKK -47.3 million (2022: DKK -290 million) mainly driven by the repurchase of shares of DKK 183.5 million in year 2022 and repayments to credit institutions of DKK 90 million.

The Group's liquid assets amounted to DKK 38.2 million at 31 December 2023 against DKK 34.5 million as at 31 December 2022.

Uncertainty in connection with recognition and measurement

In connection with the Annual report, management makes a number of estimates and assessments regarding the carrying amount of assets and liabilities, including:

- Fair value of investment properties,
- Fair value of domicile properties,
- Impairment test on domicile properties,
- Classification of properties,
- Deferred tax assets and tax liabilities

Because of assumptions, assessments and estimates, uncertainty relates to the mentioned conditions and items. It may be necessary to change previously made estimates, etc. due to changes in the circumstances underlying the estimate, changed strategy or due to additional information, further experience or subsequent events. Reference is made to note 1 of the consolidated financial statements and note 1 in the parent company's financial statements for further discussion of the assumptions, assessments, estimates and associated uncertainties.

Parent company Park Street A/S

For the parent company Park Street A / S, profit before tax amounts to DKK –38.5 million in 2023 (2022: DKK 79.5 million).

The parent company's profit and loss before tax is affected by an increase of the retail income of DKK 2 million (2022: DKK 32 million).

Parent company equity as of 31 December 2023 amounts to DKK 1,060 Million (31 December 2022: DKK 1,087 million).

Risk factors

Financial Risk

The financial management of the Group is geared towards optimising the term structure of liabilities in line with the Group's operations and minimizing the Group's financial risk exposure. It is part of the Group's policy not to conduct speculative transactions by active use of financial instruments, except to manage the financial risks inherent to the Group's core activities.

The Group is exposed to various financial risks due to its activities, including liquidity risk, market risks (primarily interest rate risk) and credit risk.

Park Street regularly reviews the Group's risk profile in the areas of greatest risk, as per above description on page 2 and on the Consolidated Financial Statements Note 1 and 27.

Other financial risks

Park Street financial risks are described in the consolidated financial statements, Note 27 and includes a description of the following components:

- Liquidity risk
 - Refinancing risk
 - Liquidity risk management
- Interest rate risk.
- Credit risk.
- Capital management.

Refer to the information in Note 27.

Business risks

Park Street is subject to normal commercial and societal risks applicable to players in the Danish real estate market.

Park Street's significant business risks can be divided into the following categories:

- Properties market value
- Market Rent
- Vacancy
- Maintenance
- Sales of properties
- Errors and omissions concerning the renovation and new construction.

Properties market value

Park Street values investment properties at fair value (market value) and includes valuation adjustments in net profit. Park Street's portfolio of properties constitute a large share of the Group's balance sheet, which means that sensitivity to falling prices in the property market is relatively large.

Property value is influenced by several factors, including a particular value sensitivity to fluctuations in the following parameters:

- i. Market rent
- ii. Vacancy
- iii. Yield

Estimated changes in the properties' fair value changes of the parameters above are disclosed in note 1 to the consolidated financial statements.

Market Rent

Park Street's portfolio of leases are generally at market rent levels. The Group has an opportunity to review the leases where there is a gap to market rents using section 13 clause to migrate the lease levels closer to market rents. Improving demand for space and increasing market rents could also give an opportunity to make capital investments on structurally vacant areas of the portfolio to create further lettable areas.

Renegotiating with existing tenants could create the risk of increased vacancy, which in turn will create a need for further capital investment requirements for upgrading the vacant space.

Vacancy

Park Street is dependent on the ability to maintain or create a natural user requirement for the properties.

In the case of a tenant's relocation of a lease, there is a risk that the vacant lease cannot be re-leased within the expected time horizon or, if necessary, can only be leased at lower rent level than expected. In addition, vacancy rates are affected by the general economic situation in the area where the individual property is situated.

Maintenance

The basis for obtaining rental income is, of course, that Park Street can offer leases that meet the expectations and requirements of the tenants, including a satisfactory maintenance condition for the property.

Lack of maintenance of properties therefore creates a risk to Park Street. Lack of maintenance can be due to many conditions, such as structural deficiencies, unforeseen wreckage, vandalism, extreme weather conditions, etc. The company prepares long term maintenance budgets and carries out the maintenance work necessary to maintain a satisfactory maintenance condition on the properties.

Sales of properties

Park Street sells properties that are suitable to sell. The selling price is naturally linked to uncertainty as it depends on the actual negotiation situation at the time of sale and is also influenced by a number of other factors, including the rental income of the property, the general interest rate level and market conditions at the time of sale.

Errors and deficiencies regarding rebuilding and newbuilding

When rebuilding the existing properties of the Group, or in the case of new construction, there is a risk of malfunctioning. Park Street ensures against this through contracts with the Group's suppliers (contractors, etc.) who will be required to correct any deficiencies. In cases where suppliers have gone bankrupt or for some reason cannot fill their obligations, Park Street may, however, have to rectify defects at your own expense, provided there is no guarantee or other security from the suppliers.

Other risks

Other risks can be divided into the following categories:

- Insurance risks.
- Tax risks.
- Legal risks.
- IT risks.

Insurance risks

Park Street subscribes to statutory insurance and insurance policies that are deemed to be relevant and customary. The Group regularly conducts an insurance review with the assistance of an insurance specialist. Based on the latest report on the company's insurance coverage, management believes that Park Street has sufficient insurance coverage.

Tax risks

Changes in tax legislation may affect Park Street's fiscal situation.

Legal risks

Park Street regularly enters into a number of agreements, including agreements concerning the operation of properties. The agreements involve opportunities and risks, which are assessed and hedged in connection with the conclusion of the agreements.

IT risks

Park Street uses IT to a considerable extent and are thus exposed to operational disruption of the established IT safety. This can cause operating and financial losses. Park Street constantly works to ensure a high level of IT security, which is currently estimated to be the case.

Statutory report CSR

Business model

Please, refer to the section *Main Activity* on page 2.

Risks related to CSR

While Park Street generally and based upon our business model has not identified nor experienced any material risks in relation to CSR, the Company has decided to author and implement policies with respect to environment, climate change, human rights, social and employee conditions and anti-corruption due to our social responsibility in each of the business activities that are performed. CSR is reflected in the way we manage and refurbish our properties, in our relationship with tenants, employees, business partners and any stakeholder that the Group operates with.

Policies, activities and results

- Environmental and climate conditions: In connection with the re-development and maintenance of the existing assets Park Street is following all applicable building regulations with the the goal of reducing energy consumptions. In 2023, the Group invested over DKK 65.3 million in the maintenance and modernization of the existing properties. Park Street A/S regularly monitors the Energy Ratings of its properties with external reviews per regulation. Such review proactively seeks to outline the various initiatives which could reduce the carbon emissions. Park Street intends to annually take steady steps towards taking energy conservation steps including but not limited to changing old light bulbs, improve ventilation for heat conservation etc. Furthermore Park Street A/S has taken several initiatives to retain various elements from existing buildings for recycling into new projects or maintenance works. Close to 100 doors have been retained from Pulse N project during demolition phase which could be used for future projects.” Increasing energy prices and suboptimal enregy performances of the buildings will have a direct impact on the cost borne by our current and prospective tenants, this could impact both the ability to retain the current tenants, their ability to pay the required cost and also the ability to procure new tenants.
- Social conditions and employee relations and respect for human rights: Employees are the most important resource for progress, and therefore the Group is constantly working to ensure a healthy physical and mental work environment with a focus on reducing sickness absence. Park Street supports all human rights within national laws as well as international laws, and acknowledges the importance of supporting the local community as well as helping in a larger perspective. In order to support the data protection for individuals, the Group is implementing and continuously improving processes and IT measures to meet the EU GDPR standards. Continuous engagement of the team with objectives of the company, transparent environment encouraging team work has been key pillars for developing the employees supplemented by external leadership development coaching. No breach of these policies have been identified in 2023 which we also expect in 2024. The business model requires certain functions of managing buildings to be outsourced to external vendors, there is a risk that the vendor might not have stringent standard to meet requisite human right legislation to the detriment of our own goals.
- Human Resouce: Denmark, our main jurisdiction of operations set a high and positive bar for the quality of work environment, work safety and overall work conditions. It also has high demand for talent in our industry and there is a risk of not attracting the right required talent if the work environment and the condition do not meet the high standards.
- Anti-corruption and bribery: The Group is has invested to develop systems for transparently reviewing invoices and implemented a vendor and property specific approval policy and workflows to mitigate any risks related to expenses. The group has established an Anti-corruption

policy were employees and business partners are not allowed to receive gifts from suppliers larger than DKK 500. In connection with the ongoing controlling of employees, the Group has strict guidelines on only paying bills according to legal documents with documented expenses, and that prices are benchmarked against usual costs. The IT systems for invoice payments have been further enhanced to minimise manual invoices. No corruption has been detected in 2023 and we also expect in 2024. The zero-tolerance policy requirement within the company is exposed to the external vendor's own stringent implementation of similar approach and could expose the company to unwarranted actions outside company's control.

- Data ethics: The Park Street Group does not have a formalized policy on data ethics. Park Street only processes data for business purposes. Park Street does not make use of new technologies such as artificial intelligence, advanced algorithms, monitoring and the like. Data processed in Park Street is not made available to third parties. Should there be a desire to make data available to third parties, it should be approved by the company's top management. The Park Street Group complies with applicable legislation for the processing of personal data. As a rule, the Group does not process personal data, apart from what relates to employee data.

Legal requirements for corporate governance

Park Street has chosen on the company's website to publish the statutory statement of business management, according to section § 107b of the Danish Financial Statements Act (Årsregnskabslovens § 107b.).

The full statutory report available on our website <http://www.psnas.com/index.php/corporate-governance-statement/>

Statutory report on diversity in management

Park Street's board composed at the time of publication of the annual report for 2023 by 5. In accordance with the Danish Commerce and Industry Agency's (Erhvervsstyrelsens) "Guidelines on targets and Policies for Gender Composition of Management and Reporting on this issue" issued in March 2016, Park Street has a sub-representation of the board (top Management body).

Park Street has set a target for the underrepresented gender in the Board of Directors (top Management body). Park Street had chosen that the under-represented sex must be represented by 20% of the board by the end of 2022. Consequently, the goal of 40% women in the Board of Directors has been met in the previous year. The target for 2023 is to maintain the representation. We have achieved sufficient diversity according to the definition published by the Danish Business Authorities.

Gender diversity:	Target 2024	2023	2022
Executive management:			
Total number:	1.0	1.0	1.0
Underrepresented gender (in %)	0.0	0.0	0.0
Target (in %)	0.0	0.0	0.0

Gender diversity:	Target 2024	2023	2022
Board of Directors:			
Total number:	5.0	5.0	5.0
Underrepresented gender (in %)	40.0	40.0	20.0
Target (in %)	40.0	40.0	20.0

Since the number of employees in the Group is less than 50, Park Street is not required to develop policies or targetsetting to increase the proportion of under-represented gender in the Group's other management levels. Group's overall policy is to employ or promote the best suitable candidates no matter of gender. Park Street A/S had fewer than 50 employees from 1 January to 31 December 2023, and is therefore not obligated to establish and report on a policy or targetsetting for increasing the underrepresented gender in other management layers. The company's board currently consists of 5 members.

Internal control and risk management systems in relation to the accounting process

Park Street Board of Directors and the Audit Committee have the overall responsibility for risk management and internal controls in relation to the presentation of the Group financial statements. Group's internal control and risk management systems relating to the accounting process are designed to minimise the risk of irregularities and significant errors in the published financial statements.

The Board of Directors / Audit Committee regularly assess material risks and internal controls in order to ensure that the control environment of Park Street provides a good risk management and effective internal control.

At least once a year, as part of risk assessment, the Board of Directors / Audit Committee and the Executive Board undertake a general identification and assessment of risks in connection with the financial reporting, including the risk of fraud, and consider the measures to be implemented in order to reduce or eliminate such risks.

The Board of Directors is overall responsible for the Group having information and reporting systems in place to ensure that its financial reporting is in conformity with rules and regulations. For this purpose, the Company has set out detailed requirements in policies, manuals and procedures.

The internal control and risk management systems are monitored at different levels within the Group. Any weaknesses, control failures and violations of the applicable policies, manuals and procedures or other material deviations are communicated upwards in the organization in accordance with relevant policies and instructions. Any weaknesses, omissions and violations are reported to the Executive Board.

The auditors elected by the Annual General Meeting account for any material weaknesses in the internal control systems related to financial reporting in the Auditor's Long-form Report to the Board of Directors. Minor irregularities are reported in Management Letters to the Executive Board.

Management composition and remuneration

The management of Park Street consist of the following:

- Board Directors
- Executive Board

	Appointed / Employee	Expiry of electoral term	Age	Shareholding at the beginning, number of shares	Share buy in the year, number of shares	Shareholding at the end of the year	Independence	Sex
Board of Directors								
Anita Nassar(*)****)	2016	2024	62	0	0	0	Independent	F
Pradeep Patten (**)(***)	2016	2024	47	6,722,484	0	6,722,484 ¹⁾	Not Independent	M
Ohene Kwabong	2016	2024	63	0	0	0	Independent	M
Medha Patten	2023	2024	46	0	0	0	Not Independent	F
Claes Peter Rading(*)	2021	2024	61	0	0	0	Independent	M

(*) Anita Nassar holds the position of chairman of the Board. Claes Peter Rading is the chairman of the Audit Committee.

(**) Pradeep Patten holds the position of CEO of the Company

(***) Pradeep Patten holds controlling rights in Park Street Nordac Sarl through Park Street Asset Management

(****) Anita Nassar hold shares in Park Street Nordac Sarl without controlling rights

1) Acquired via Park Street Asset Management Ltd.

Remuneration to the Board of Directors and Executive Board

The purpose of the Group's remuneration, including any incentive remuneration, is to attract and retain the group's management skills and promote the management incentive to realize Park Street's objectives and create value in and for the company.

A remuneration policy has been prepared that describes the guidelines for defining and approving remuneration for the members of the Board of Directors and the Executive Board. The remuneration policy approved at the company's general meeting and is available on www.nordicom.dk and www.psnas.com.

The board members receive a fixed monthly fee. The Chairman receives DKK 250,000 annually, the Vice Chairman of the Board (currently vacant) receives DKK 150,000 annually, and other Board members receive DKK 100,000 annually. In addition, the Chairman of the Audit Committee receives DKK 75,000 annually and other members of the Audit Committee receive DKK 50,000 annually.

The remuneration for the members of the Board of Directors in 2023 is shown in Note 5 of the consolidated financial statements.

Salary and employment conditions for the Executive Board are set at least once a year by the Board of Directors. The salary consists of fixed salary, without bonus and pension. In addition, the Executive Board receives free telephone, etc. Total wage package is composed so that the fees are set at a competitive level, taking into account the competencies and efforts of the Executive Member and the results achieved. Reference is made to Note 5 of the consolidated accounts regarding remuneration to the Executive Board.

Board of Directors and Management

Pradeep Patterm (Indian Citizen), Director and CEO

Pradeep Patterm is a graduate engineer from the Delhi Institute of Technology and has an MBA from the Indian Institute of Management, Calcutta. As the founder and CEO of Park Street Advisors Limited, Pradeep has advised and implemented investments in across Europe since its establishment in 2014. Pradeep previously had a position as Managing Director, Head of Credit & Mortgage Markets for Europe and Asia in the Royal Bank of Scotland (RBS). In connection with the employment in RBS, Pradeep also held senior positions as a member of the Global Trading Management Committee, the Chairman of the Strategic Investments Committee and the Chair of Credit & Mortgage Risk and Compliance Committee.

Director Positions

Park Street Asset Management Limited, England
 Park Street Advisors, England
 Park Street A/S
 Pulse Taastrup P/S, Denmark
 Pulse Glostrup P/S, Denmark
 PS Holdco I P/S
 Pulse Glostrup P/S
 Pulse Taastrup P/S
 Pulse O P/S
 Pulse N P/S
 Svanevej P/S
 Ballerup Hotel P/S
 Toldbuen P/S

Management positions

CEO of Park Street A/S, Denmark
 Phoam Studio ApS
 PSN ApS
 Pulse Living ApS
 Albuen ApS
 PS I ApS

Ohene Aku Kwapong (US citizen, Ghanaian citizen)

Ohene Aku Kwapong is a graduate of Massachusetts Institute of Technology's (MIT) Sloan School of Management, Cambridge, Massachusetts, with MBA in Financial Engineering and also studied Chemical / Nuclear Engineering at MIT. He holds a PHD in Non-linear Systems Dynamics from Columbia University, New York. Ohene Aku has previously held senior positions at Exxon Mobil, Deutsche Bank London, Senior Manager at Microsoft Corporation, VP at GE Capital, Senior Vice President at the New York City Economic Development Corporation, Senior VP at Deutsche Bank in New York, and COO EMEA Credit at Royal Bank of Scotland in London. Since 2014, Ohene Aku has been engaged in consultancy in restructuring and launched The Songhai Group, a corporate development company.

Management Positions

Managing Partner, The Songhai Group, US.

Director positions

Ecobank Ghana, Risk and Governance Committees.
 The Practice School, an executive management skills company.
 Trustee, Head of State Award Scheme – Ghana.

Anita Nassar (formerly Kamal) (French citizen)

Anita Nassar holds a bachelor's degree in business administration from the American University of Beirut. Anita is the founder of 'Alternative

Consultant Group'. Ms Nassar is Partner and Senior Managing Director at Balyasny Asset Management. She is also a member of BAM's Management Committee. Anita joined BAM from Citadel where she was a Partner and Managing Director serving Europe, the Middle-East, Africa and Asia Pacific. Prior to joining Citadel, Anita served at Merrill Lynch, London as Managing Director, Co-Head of Government Institutions Sales. Previously, she worked at HSBC London as Managing Director, Global Head of Government Sales, serving Asia, Europe, and the Americas.

Management Positions

Founder and CEO at Alternative Consultant Group.

Partner, Senior Managing Director at Balyasny Asset Management.

Director positions

Board of Trustees at Northeastern University, Boston, USA.

Endowment Trustee in the Funds and Investments Subcommittee at Northeastern University, Boston, USA.

Claes Peter Rading (Swedish citizen)

Peter Rading is a Swedish citizen who graduated with a Bachelor of Science in Business Administration Summa Cum Laude from Georgetown University DC in 1986. He worked for Royal Bank of Scotland Plc from 1990 to 2013, running multiple complex global businesses for the bank between 2000 and 2013, when he then retired from the bank and the banking industry. His final position at the bank was as Global Co-Head of Trading and included his serving on the Investment Bank executive committee, the Markets division management committee and as Chair of the bank's technology board. Since his departure from Royal Bank of Scotland Plc in 2013, Peter has actively focused on private investment activity in the real estate sector, including an active involvement in the Nordics and high growth specialist real estate sub-sectors.

Director positions:

Elwyn Green Ltd

IP Nexus, US

Kamo River Investments Ltd

LocalCircles India Pvt Ltd, India

Seequestor, UK

Tillingbourne (Canterbury) Ltd

Tillingbourne (Horham) Ltd

Medha Pattem (UK citizen)

Medha Pattem is a graduate engineer from the Osmania University and has MS from the Rensselaer Polytechnic Institute, Troy, NY.

Director positions:

Sthenos International Ltd.

Park Street Advisors Ltd.

Park Street Asset Management Ltd.

Floorstax Ltd.

Swindon Ground Lease Ltd.

Xplore Markets Ltd.

India Growth Capital Ltd.

Thermopads UK Ltd.

Shareholder structure

Share capital	DKK 57,175,572
Nominal share amount	DKK 1
Number of shares	57,175,572 shares
Share Classes	DKK 12,827,637 A-shares Listed
	DKK 44,347,935 B-shares Not listed
Number of votes per share	One
Bearer	Yes
Restriction on voting rights	No
Limitations on transferability	No
ISIN	DK0010158500
Stock Exchange	Nasdaq Copenhagen
Shareholders above 5%	In percent
Park Street Asset Management Ltd.	93.5%

The number of registered shareholders amounts as of 31 December 2023 to 789 pcs. (31 December 2022: 865 pcs.). The registered shareholders represent per 31 December 2023 99% of the share capital (31 December 2022: 99%).

All Park Street A / S shares are listed on Nasdaq Copenhagen and are part of the Small Cap segment. The share price ended 31 December 2023 at price 7.70 (31 December 2022: 13.9), which is a decrease of 6.2 points in relation to the share price per share as of 31 December 2022.

Appointment of board members

Rules of appointing and replacing members of the board of directors are included in the section 13.1 of the articles of association.

Rules for changing articles of association

Park Street A/S articles of association can be changed by a General Meeting in accordance with the Companies Act §§106 and 107. Resolution on amendment of the Articles of Association are only valid if the resolution is approved by at least 2/3 of both voting rights and percentage of equity which are present at the meeting.

Own shares

Information about treasury shares is shown in note 22 of the consolidated financial statements.

Dividends

The Board of Directors deems it prudent to propose to the Annual General Meeting that no dividend will be paid for the financial year 2023.

Investor Relations

It is Park Street's policy to inform quickly about relevant matters.

The Executive Board informs shareholders and investors according to guidelines agreed with the Board, and it is the goal to meet the information obligations of Nasdaq Copenhagen each time. It is part of Park Street's information policy to:

- publish interim reports,
- issue annual reports, and
- provide quick responses to inquiries to the group.

Stock exchange announcements made in 2024 & 2023

Date	Title
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11-03-2024	Park Street A/S – Share buyback program 2024
05-03-2024	Park Street A/S : 2024 Strategy
28-02-2024	Park Street A/S – Share buyback program 2024
22-09-2023	Park Street A/S - Park Street Interim Report Half Year 2023 - Corrections
22-09-2023	Park Street A/S - Park Street Interim Report Half Year 2023
24-08-2023	Park Street A/S - Park Street publishes Interim Report Half Year 2023
24-08-2023	Park Street A/S - Park Street Interim Report Half Year 2023
28-04-2023	Park Street announces results of Annual General Meeting 2023
05-04-2023	Park Street A/S : Annual report 2022
05-04-2023	Park Street A/S : Annual General Meeting
05-04-2023	Park Street A/S : Publishes Annual Report 2022
02-03-2023	Park Street A/S : 2023 Strategy

Financial Calendar

04-04-2024	Annual Report 2023
26-04-2024	Annual General Meeting

More info

Further information on company and shareholder matters and the Group's activities can be found on Park Street's website <http://www.nordicom.dk/> and www.psnas.com

Inquiries regarding the Group's relations with investors and the stock market can be addressed to:

CEO: Pradeep Patten

Tel.: + 45 33 33 93 03

E-mail: parkstreet@parkstreet.dk

The Group structure at 31 December 2023

The Group structure at 31 December 2023 consists of the company Park Street A/S and the fully owned subsidiaries Pulse Taastrup P/S, Pulse Glostrup P/S, Pulse N P/S, Pulse O P/S, Ballerup Hotel P/S, Svanevej P/S, Toldbuen P/S, PS Holdco I P/S, Phoam Studio ApS, PSN ApS, Pulse Living ApS, Albuen ApS, PS I ApS, and Park Street UK.

Information on investment is disclosed in note 11 of the parent company's financial statements. All subsidiaries are fully consolidated in the consolidated financial statements of Park Street A/S.

Statement by Board of Directors and Management

The Board of Directors and management have today considered and adopted the annual report for the financial year 1 January – 31 December 2023 for Park Street A/S.

The annual report is prepared in accordance with IFRS Accounting Standards as adopted by the EU, and further requirements in the Danish Financial Statement Act and rules for listed companies.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group and the Parent's financial position as of 31 December 2023, and of the results of the Group's and the Parent Company's operations and cash flows for 2023.

It is also our opinion that the directors' report contains a true and fair account of the development of the Group's and the parent company's activities and financial conditions, the profit for the period and the Group's and the Parent Company's financial position as a whole, and a description of the significant risks and uncertainty factors that the Group and the Parent Company faces.

In our opinion, the annual report of Park Street A/S for the financial year 1 January to 31 December 2023, with the file name 213800VGJC18MRK-MZC33-20231231-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

The annual report is submitted to the Ordinary General Meeting for approval.

Copenhagen, 4 April 2024

Management

Pradeep Patten
CEO

Board of Directors

Anita Nassar
Chairman

Pradeep Patten

Ohene Aku Kwabong

Claes Peter Rading

Medha Patten

Independent Auditor's Report

To the shareholders of Park Street A/S

Report on the audit of the Financial Statements

Our opinion

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 financial position at 31 December 2023 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January to 31 December 2023 in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Our opinion is consistent with our Auditor's Long-form Report to the Audit Committee and the Board of Directors.

What we have audited

The Consolidated Financial Statements and Parent Company Financial Statements of Park Street A/S for the financial year January 1 to 31 December 2023 comprise income statement and other comprehensive income, balance sheet, statement of equity, statement of cash flow and notes, including material accounting policy information for the Group as well as for the Parent Company. Collectively referred to as 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group 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. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge and belief, prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 were not provided.

Appointment

We were first appointed auditors of Park Street A/S on 27 April 2017 for the financial year 2017. We have been reappointed annually by shareholder resolution for a total period of uninterrupted engagement of 7 years including the financial year 2023.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements for 2023. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report (continued)

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of Investment Properties and Domiciles</p> <p>The Group owns a portfolio of investment properties that are valued at fair value and two domiciles that are revalued to fair value at 31 December 2023.</p> <p>Valuation of investment properties and domiciles at fair value contains significant estimates based on significant assumptions, where even minor changes in the assumptions can have a significant effect on the fair value of the properties.</p> <p>Management has used the capitalization method to determine the fair value. The model is described in note 1.2, with market rent and yield being the significant assumptions.</p> <p>Management has obtained valuations from an external valuer to support the fair value determined by Management; for all significant properties; including the assumptions used, with market rent and yield being the significant assumptions.</p> <p>We focused on this area as valuation of investment properties and domiciles at fair value is based on significant estimates which are subjective and a high degree of estimation uncertainty.</p> <p>Refer to note 1.2,9, 14 and 15.</p>	<p>We performed risk assessment procedures with the purpose of achieving an understanding of procedures and relevant controls relating to valuation of investment properties and domiciles. In respect of controls, we assessed whether these were designed and implemented effectively to address the risk of material misstatement.</p> <p>We assessed the method used by management to measure the fair value of investment properties and domiciles. We verified on a sample basis the accuracy of the data used.</p> <p>We assessed and challenged the assumptions applied, using our knowledge of the real estate market and professional scepticism.</p> <p>We assessed the competencies and independence of external valuer used by Management. We compared the fair values determined by the Management with the external valuer's assessments.</p> <p>Furthermore, we assessed the appropriateness of disclosures.</p>

Statement on Management's Review

Management is responsible for Management's Review

Our opinion on the Financial Statements does not cover Management's Review, 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 Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Moreover, we considered whether Management's Review includes the disclosures required by the Danish Financial Statements Act.

Based on the work we have performed, in our view, 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 in Management's Review.

Management's responsibilities for the 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 IFRS Accounting Standards as adopted by the EU and further requirements in 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 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 unless Management either intends to liquidate the Group or the Parent 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 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 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 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 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 or the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content 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.
- 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Independent Auditor's Report (continued)

Report on compliance with the ESEF Regulation

As part of our audit of the Financial Statements we performed procedures to express an opinion on whether the annual report of Park Street A/S for the financial year 1 January to 31 December 2023 with the filename 213800VGJC18MRKMZC33-2023-12-31-en.zip is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the Consolidated Financial Statements including notes.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format;
- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for all financial information required to be tagged using judgement where necessary;
- Ensuring consistency between iXBRL tagged data and the Consolidated Financial Statements presented in human-readable format; and
- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- Testing whether the annual report is prepared in XHTML format;
- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;
- Evaluating the completeness of the iXBRL tagging of the Consolidated Financial Statements including notes;
- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and
- Reconciling the iXBRL tagged data with the audited Consolidated Financial Statements.

In our opinion, the annual report of Park Street A/S for the financial year 1 January to 31 December 2023 with the file name 213800VGJC18MRKMZC33-2023-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Hellerup, 4 April 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR no 33 77 12 31

Torben Jensen
State Authorised Public Accountant
mne18651

Jacob Dannefer
State Authorised Public Accountant
mne47886



2023

CONSOLIDATED
FINANCIAL STATEMENTS



Income statement

Note	Amounts in DKK 1000s	2023	2022
3	Net sales	166,142	153,281
4	Operating expenses	-44,227	-48,606
	Gross profit	121,915	104,675
5	Employee benefit expenses	-15,528	-17,231
	Other expenses, by nature	-10,039	-10,936
7	Depreciation, amortisation and impairment	-2,556	-3,678
	Operating profit (EBIT)	93,792	72,830
8	Financial expenses	-52,424	-29,932
	Earnings before value adjustments (EBVAT)	41,369	42,898
9	Adjustment to fair value, net	-73,750	36,066
10	Losses realised on the sale of investment properties	-2,535	-4,466
	Result before tax	-34,917	74,498
11	Tax on profit for the period	10,671	-19,518
	Result for the period	-24,245	54,980
	Distributed as follows		
	Parent's shareholders	-24,245	54,980
	Result for the period	-24,245	54,980
12	Earnings per share, end of period	-0.44	1.00
12	Diluted earnings per share, end of period	-0.44	1.00

Statement of comprehensive income

Note	Amounts in DKK 1000s	2023	2022
	Profit for the period	-24,245	54,980
	Other comprehensive income:		
	<i>Items that cannot be reclassified to the income statement:</i>		
	Fair value adjustment of domicile properties	-3,615	11,252
	Tax on fair value adjustment of domicile properties	795	-2,420
	Other comprehensive income after tax	-2,820	8,832
	Comprehensive income for the period	-27,065	63,812
	Distributed as follows		
	Parent's shareholders	-27,065	63,812
	Comprehensive income for the period	-27,065	63,812

Statement of financial position

Note	Amounts in DKK 1000s	2023	2022
	ASSETS		
	Non-current assets		
	Intangible assets		
13	Software	0	446
13	Leasehold improvements	439	625
		439	1,071
	Domiciles, Investment property and Property, plant and equipment		
14	Domiciles	198,281	203,462
15	Investment properties	2,436,719	2,521,581
16	Machinery and equipment	458	507
		2,635,458	2,725,550
	Financial assets		
17	Investment in associates	0	2,029
	Deposits	161	161
		161	2,190
	Total non-current assets	2,636,058	2,728,811
	Current assets		
18	Current financial assets at amortised cost	14,114	7,412
19	Trade and other current receivables	24,930	28,594
	Income tax receivable	2,315	6,774
	Prepaid expenses and accrued income	1,065	2,609
20	Cash and cash equivalents	38,207	34,531
	Total current assets	80,631	78,654
	Total assets	2,716,690	2,807,465
	Equity		
	Share capital	57,175	57,175
	Revaluation reserve	55,575	59,961
	Share Premium	289,260	289,260
	Accumulated profit	657,948	680,628
21,22	Total equity	1,059,959	1,087,024
	LIABILITIES		
	Non-current liabilities		
23	Deferred tax	233,847	254,025
24	Borrowings	1,332,708	1,382,643
	Deposits	10,185	10,224
		1,576,741	1,646,892
	Current liabilities		
25	Provisions	400	400
24	Current borrowings	22,953	20,293
	Trade and other payables	18,557	19,337
	Deposits	31,664	27,693
	Other liabilities	6,417	5,827
		79,991	73,549
	Total liabilities	1,656,732	1,720,441
	Total equity and liabilities	2,716,690	2,807,465

Statement of equity

Amounts in DKK 1000s	Share capital	Revaluation reserve	Accumulated profit	Share Premium	Equity Total
Statement of equity for 2023:					
Equity as at 1 January 2023	57,175	59,961	680,628	289,260	1,087,024
Comprehensive income for the period					
Profit for the period	0	0	-24,245	0	-24,245
Fair value adjustment of domicile	0	-3,615	0	0	-3,615
Tax on other comprehensive income	0	795	0	0	795
Other comprehensive income during the financial year	0	-2,820	0	0	-2,820
Comprehensive income for the period	0	-2,820	-24,245	0	-27,065
Transactions with owners					
Repurchase own shares	0	0	0	0	0
Capital reduction	0	0	0	0	0
Total transactions with owners	0	0	0	0	0
Other adjustments					
Increase/decrease through transfer of depreciation of revalued value of owner-occupied property	0	-1,566	1,566	0	0
Total other adjustments	0	-1,566	1,566	0	0
Equity as at 31 December 2023	57,175	55,575	657,948	289,260	1,059,959
Statement of equity for 2022:					
Equity as at 1 January 2022	67,513	52,920	807,344	289,260	1,217,037
Comprehensive income for the period					
Profit for the period	0	0	54,980	0	54,980
Fair value adjustment of domicile	0	11,252	0	0	11,252
Tax on other comprehensive income	0	-2,420	0	0	-2,420
Other comprehensive income during the financial year	0	8,832	0	0	8,832
Comprehensive income for the period	0	8,832	54,980	0	63,812
Transactions with owners					
Repurchase own shares	0	0	-183,488	0	-183,488
Capital Reduction	-10,338	0	0	0	-10,338
Total transactions with owners	-10,338	0	-183,488	0	-193,826
Other adjustments					
Depreciation of revalued value of domiciles	0	-1,790	1,790	0	0
Total other adjustments	0	-1,790	1,790	0	0
Equity as at 31 December 2022	57,175	59,961	680,628	289,260	1,087,024

Statement of cash flows

Note	Amounts in DKK 1000s	2023	2022
	Operating profit (EBIT)	93,792	72,830
	Reversal of depreciations and amortisations	2,556	3,678
	Change in operating capital (Note:29)	6,817	-4,616
	Cash flows concerning primary operations	103,166	71,892
	Financial income received	0	0
	Financial expenses paid	-52,424	-29,932
	Paid Corporate Tax	0	-1,742
	Total cash flow from operating activities	50,742	40,218
	Cash flow from investing activities		
	Improvements to investment properties	-78,221	-99,024
	Sales of investment properties	76,400	216,202
	Purchase of intangible assets	0	-670
	Sale of associates	2,029	0
	Total cash flow from investing activities	208	116,508
	Cash flow from financing activities		
	Repurchase own shares	0	-183,479
	Proceeds from assumption of liabilities to credit institutions	42,721	67,994
	Repayment of other liabilities to credit institutions	-89,995	-174,530
	Total cash flow from financing activities	-47,274	-290,015
	Total cash flow for the period	3,676	-133,289
	Liquid assets as at 1 January	34,531	167,820
	Liquid assets at the end of the period	38,207	34,531
	Liquid assets at the end of the period		
	Cash and short term deposits	38,207	34,531
	Liquid assets at the end of the period	38,207	34,531

Summary

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Notes

Note 1 – Material accounting policy information

Note 1.1. – Basis of preparation

a. Accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated. Refer to note 32 for a full description of the accounting policies used.

The company presents its annual report in compliance with reporting class D.

b. Changes to accounting policies

Accounting policies are unchanged from the previous year.

Note 1.2. – Investment properties

A property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. An investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. After initial recognition, an investment property is carried at fair value.

Fair value is based on active market prices, adjusted, if necessary, for differences in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. The fair value of an investment property reflects, among other things, rental income from current leases and other assumptions market participants would make when pricing the property under current market conditions. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Changes in fair values are recognised in the income statement. Investment properties are derecognised when they have been disposed. Where the Group disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the income statement within net gain from fair value adjustment on investment property.

The principles and methods for determining the estimated fair value of the properties in this category is based on the capitalisation method. The determination of fair values in accordance to the capitalisation method is generally the most accepted and widely used model for valuating property. The method is based on a stabilised net rent, capitalised at a rate of return assuming a stabilised property in a stable market, which is fully let at an annual market rent at, or close to, market level. For non-stabilised properties, special conditions such as vacancy and refurbishment costs are taken into consideration.

The Market Valuation of the properties could vary from year to year based on changes in the market yield and market rent, but also could be impacted when the properties or units are either significantly changed in quality (upgraded or otherwise) or from change of usage, which in itself would change the applicable market rents. Furthermore reduction or change in vacancy can impact in valuations, based on the real rent achieved from leases compared to assumed market rents, and the actual capex compared to the refurbishment capex assumed in previous valuations. On a overall portfolio basis the average market yield could vary from year to year based on yields of the properties sold or acquired during the year or change in the market in general.

The fair value of a property is calculated by the following process:

1	+ Annual Rental Income (fully rented)
2	- Non-recoverable operating costs
<hr/>	
3	= Net Operating Income (NOI)
4	- Cap rate (net initial yield)
<hr/>	
5	= Market value before regulations and deposits
6	- Vacancy costs
7	- Refurbishment cost
8	- Rental loss (discounts, etc.)
9	+ Net Present Value (NPV) of Overrented elements
10	- Net Present Value (NPV) of Underrented elements
11	+ Cash deposits
12	+ Other
<hr/>	

13 = Market value after regulations and deposits (Fair Value)

Ad. 1) The annual rental income represents the budget rent. For non-vacant units, the budget rent equals the actual rental income. If the actual rental income differs significantly, the market rent is used. For vacant areas, the market rent is used.

Ad. 2) All operating expenses not recoverable from the tenants are deducted. This includes taxes, insurance, cleaning, utility costs, service subscriptions, administration, external maintenance etc.

Ad. 4) The yield requirement is determined individually for each property based on the yield requirement for comparable properties in the same geographical area (where this is possible) and the property's risk profile.

Ad. 6) Vacancy costs reflect the estimated loss of rental income until a re-letting is assumed. There is vacancy until the stabilised level is reached. When the stabilised level is reached all properties are assumed fully let.

Ad. 7) For vacant units, it is assumed that a refurbishment is required before a re-letting can take place. At some properties, these are not included as the leases already are ready for reletting.

Ad. 8) Current discounts are deducted from the market value.

Ad. 9) If an overrented lease is regulated to market rent, it is implemented over a 4-year period according to section 13 in the Danish Commercial Rent. As a result, the lease will generate an overrenting element in this period.

Ad. 10) If an underrented lease is regulated to market rent, it is implemented over a 4-year period according to section 13 in the Danish Commercial Rent. As a result, the lease will generate an underrenting element in this period.

The calculation of the properties' fair value is sensitive to changes in all the above inputs to the valuation model. The most significant non-observable inputs used in calculating the current value of the completed investment properties are as follows:

- i. Market Rent per square meter (sqm.) per year
- ii. Vacancy
- iii. Yield

A general increase in market rent per sqm and decrease of the vacancy in the areas in which Park Street's properties are located, will likely decrease the yield requirements.

i. Market Rent per sqm per year

Market rent per sqm per year represents an important input for calculating the fair value of the property. If it is estimated that the current rent is lower or higher than the rent that can be obtained by re-hire, a correction of the current rent will be made to the expected rent on re-hire. This input is based on an estimate. Similarly, input on market rent for empty areas is based on an estimate. The long-term average market rent (ie at terminal level) is the following divided by property types:

<u>Avg. gross rent per sqm p.a. (DKK)</u>	<u>2023</u>	<u>2022</u>
Retail	1,142	1,058
Office	934	1,110
Residential	2,371	2,059
Storage	403	412
Hotel	1,711	1,678
Total	1,144	1,136

The estimated fair value is sensitive to changes in the estimated budget rent. The sensitivity of changes in the average budget rent per sqm are illustrated in the table below, which shows the effect on the fair value of the properties if only the average budget rent per change is changed sqm per year.

Change in market rent per sqm per year (DKK)	Change in market value (Million DKK)	
	2023	2022
200	503	637
100	252	319
50	126	159
-50	-126	-159
-100	-252	-319
-200	-503	-637

The table shows that an increase in the market price of, for example 50 DKK per sqm per year will increase the completed investment properties' fair value by DKK 126 million (31 December 2022: DKK 159 million).

ii. Vacancy

No structural vacancy has been considered in the property valuation; as it has been estimated that the current vacancy will be let within 6 to 12 months. An increase in the current vacancy has been estimated and represents the following (calculated as estimated vacancy divided by the market rent in the terminal):

Change in Vacancy (%-point)	Change in market value (Million DKK)	
	2023	2022
10%	-5	-6
5%	-3	-3
-2%	1	1
-5%	3	3

The table shows that an increase in the vacancy by 5 percentage points will reduce the finished investment property with the fair value of DKK -3 Million (31 December 2022: DKK -3 million).

iii. Yield

The fixed return requirement is an essential input in estimating fair values. The table below shows the ranges for the return requirement divided by property type and the weighted return requirement in- for each property type.

Percentage p.a.	2023		2022	
	Interval	Weighted Avg	Interval	Weighted Avg
Retail	6.50 – 17.17	8.17	4.85 – 9.00	6.95
Office	6.25 – 16.91	7.00	5.25 – 11.68	6.97
Storage	9.50 – 10.22	9.83	9.00 – 9.50	9.25
Residential	4.25– 13.53	4.87	4.00 – 7.58	5.60
Hotel	6.75 – 6.75	6.75	6.50 – 6.50	6.50
Total	4.25 – 17.17	6.50	4.00 - 11.68	6.80

The table shows that the return requirements for completed investment properties at 31 December 2023 is in the range 4.25% - 17.17% per annum. The corresponding interval at 31 December 2022 amounted to 4.00% - 11.68% per annum.

The weighted yield requirement in the table are calculated as each property yield requirements weighted by the property's fair value in relation to property type's / portfolio's fair value and amounts at 31 December 2023 6.50% per annum for the overall portfolio of finished investment properties at 31 December 2022 the corresponding weighted return requirements for the entire portfolio 6.80% per annum.

The yield requirements used have a significant impact on the fair value of the property. The sensitivity of changes in the return requirement is illustrated in the table below which shows the effect on the fair value of the properties if only the average return rate is changed.

Change in return requirements (% points)	Change in market value (Million DKK)	
	2023	2022
1.00%	-395	-482
0.75%	-314	-376
0.50%	-226	-261
0.25%	-133	-136
-0.25%	78	149
-0.50%	196	313
-0.75%	325	495
-1.00%	465	698

The table shows that an increase in the rate of return of 0.25 percentage point would reduce the completed investment property fair value DKK -133 million (31 December 2022: DKK -136 million).

The breakdown by activity based the property value is split as follows:

Amount in Million DKK	2023		2022	
	Amount	%	Amount	%
Residential	878	36%	479	17%
Residential Project	175	7%	511	20%
Office	525	22%	629	25%
Retail	729	30%	824	33%
Hotel	97	4%	99	4%
Storage	32	1%	24	1%
Total	2,436		2,522	

Determining the fair value of Domicile properties

From 2015 domicile properties have been evaluated at the amount equivalent to the fair value at the date of revaluation less depreciation, see mention in the note 33. Park Street possesses on 31 December 2023 the following two domiciles:

- Svanevej 12, Copenhagen NV (Park Street's headquarters in Copenhagen Nordvest neighborhood).
- Marbækvej 6, Ballerup (Hotel in Ballerup).

When calculating the fair value of the above two domicile properties, principles and calculation methods are applied which are used to estimate the property's fair values.

Due to different characteristics, different principles and calculation methods are used for each of the two domicile properties. The fair value of both owner-occupied properties is based on significant estimates.

Changes in fair values are recognised in other comprehensive income statement. Domicile properties are derecognised when they have been disposed or transferred into investment property.

The estimation of the properties' fair value as of 31 December 2023 resulted in a revaluation of the properties' book value by DKK -3.6 million (31 December 2022: DKK 11 million), which is included under "Fair value adjustment of domicile properties" in other comprehensive income.

i. Park Street domicile in Copenhagen

Park Street's headquarters at Svanevej 12 in Copenhagen Nordvest neighbourhood is an office building that is partially used as domicile for Park Street and partly for rental. The property is characterized by generating a current return on rent, similar to the Group's investment properties (see

description above except that the property is also used as domicile for Park Street). Principles and methods for determining the property's fair value is the same as the applied to Investment properties described above.

Property estimated market rent and determining the required return on owner-occupied property is based on inputs from an independent valuer.

The estimate of the property's fair value, similar to the Group's completed investment properties, is sensitive to changes in input in the valuation model. The most significant non-observable input used for estimating the fair value of the domicile property is as follows:

Domicile Office	2023	2022
Market rent per sqm. per year (DKK)	1,072	1,150
Vacancy (%)	0	0
Return requirement (% p.a.)	6.50	5.50

The sensitivity to changes in the above non-observable input can be illustrated as follows (assuming the listed events occur one by one):

- An increase or decrease in the market price of DKK 50 per sqm per year will result in a change of the property's fair value, respectively DKK +3.1 million. (31 December 2022: DKK +3.8 million) and DKK -3.1 million (31 December 2022: DKK -3.7 million).
- An increase or a reduction of the required yield of 0.50% point will entail a change of the property's current value, respectively DKK -4.8 million (31 December 2022: DKK -7.7 million) and DKK +5.6 million (31 December 2022: DKK +9.3 million).

A general increase in market rent per sqm and decrease in vacancy in the district, where the property is located, will likely cause a drop in the yield requirement.

ii. Hotel in Ballerup

Park Street hotel on Marbækvej 6 in Ballerup is a property where Park Street via a management agreement operates the hotel. This property is thus characterized by generating a current return operation from the property. In order to calculate the property's fair value separated from the hotel operations, the measurement of the property's fair value based on an estimate of market rent that could be obtained on a normal lease. The estimate of market rent is calculated as a fixed percentage of the revenue of the hotel.

The estimate of the hotel's expected revenue is based on budgeted stabilized revenue discounting a ramp up cost that equals the difference between 2023 actual revenue and the stabilized budget revenue.

Property estimated market rent and determining the required return on owner-occupied property is based on inputs from an independent valuer.

The estimate of the property's fair value, similar to the Group's completed investment properties, is sensitive to changes in input in the valuation model. The most significant non-observable input used for estimating the fair value of the domicile property is as follows:

Domicile Hotel	2023	2022
Market Rent - % of Revenue	28	38
Return requirement (% p.a.)	7.5	7.5

The sensitivity to changes in the above non-observable input can be illustrated as follows (assuming the listed events occur one by one):

- An increase or a reduction of the required yield of 0.50% point will entail a change of the property's current value, respectively DKK -8.1 million (31 December 2022: DKK -7.9 million) and DKK +9.3 million (31 December 2022: DKK +9.0 million).

Classification of properties

Park Street classifies the properties in the following categories:

- Domicile (Owner-occupied properties)
- Investment Properties

Reference is made to note 32 in accounting policies for a more detailed description of how the properties are included in the above-mentioned classifications.

Classification of properties takes place on the basis of Park Street's intentions with each land or property at the time of acquisition. If the future purpose for some reason is not finalized at the time of acquisition, the foundation is classified as an investment property.

In some cases, services may be provided to tenants, etc. that constitute significant benefits. Park Street owns and operates a hotel where services to guests form a significant part of the total product. The property is therefore classified as a residential property.

Reclassification of properties between the above categories is made when the application is changed and a number of criteria are met. Notes to the individual financial statements indicate whether changes have been made to the classification regarding properties owned by Park Street.

Disclosure of deferred taxes

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates/laws that have been enacted or substantively enacted by the end of the reporting period.

Tax assets arising from unused tax losses, are valued based on existing budgets and profit forecasts for a 3-year period. Tax is recognized for an unused tax loss carryforward or unused tax loss carryforward when it is considered probable that there will be sufficient future taxable profit against which the loss or credit carryforward can be utilised.

At 31 December 2023 the Group has included unused tax losses of DKK 137 million (31 December 2022: DKK 137 million) all of which is estimated to be realized within a three-year period or against deferred tax liabilities. The reduction in unutilized losses in 2023 and 2022 is due to positive tax income.

Disclosure of borrowings

As stated on Note 24 the value of the Group's mortgage debt and bank debt is classified as amortized cost.

As stated in Note 24 Group's non-convertible bonds are recognized as liabilities towards credit institution and are recognized as at fair value based on data that is non-observable in the market.

Note 2 – Segment information

Park Street's property portfolio is managed under a single management makes no segmentation of the portfolio. Information on the Group's revenue to external customers is disclosed in note 3 below.

The Group has no customers / tenants who make up more than 10% of the group's rental income. The group only has activities in Denmark.

Note 3 - Net sales

Amounts in DKK 1000s	2023	2022
Rental income	145,503	136,348
Of which rental income from:		
Investment properties	121,028	111,415
Domicile properties	24,475	24,933
Sales of other services	20,639	16,478
Total sales of services	166,142	152,826
Interest income, mortgages and instruments of debt	0	455
	166,142	153,281

Note 4 - Operating expenses

Amounts in DKK 1000s	2023	2022
Operating expenses, investment properties	36,996	41,630
Operating expenses, other services	7,231	6,976
	44,227	48,606

Note 5 – Employee benefits expenses

Amounts in DKK 1000s	2023	2022
Salary	14,548	16,040
Contribution-based pensions (*)	509	716
Other social security costs	80	59
Other staff costs	390	416
	15,528	17,231
Average number of employees	22	27

(*) The Group has only defined contribution plans. For defined contribution plans, the employer undertakes to pay a defined contribution to a pension fund, but has no risk with regard to future developments in interest rates, inflation, mortality, disability, etc. as regards the amount to be paid to the employee.

Disclosure of information about key management personnel (Pradeep Patten) comprises the following:		
Salary	2,760	2,760
Contribution-based pensions	0	0
Bonus	0	0
	2,760	2,760

Disclosure of share-based payment arrangements:

Amounts in DKK 1000s	2023	2022
Disclosure of fees to Board members		
Pradeep Patten (CEO)	100	100
Andrew LaTrobe (Member of the Audit Committee) (*Jan-Apr 2022)	0	50
Ohene Kwabong (Chairman of the Audit Committee)	175	175
Anita Nassar (Chairman of the Board)	250	250
Claes Peter Rading (Member of the Audit Committee) (May-Dec 2021, Jan-Dec 2022)	150	150
Medha Patten (Director)	0	0
	675	725

Note 6 – Auditor's fees

The auditor appointed in 2023 and 2022 is PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab. Their fees can be specified as follows:

Amounts in DKK 1000s	2023	2022
Statutory audit	1,015	897
Tax and VAT advice	243	334
	1,258	1,231

Fees for non-audit services delivered by PricewaterhouseCoopers, Statsautoriseret Revisionspartnerselskab, include taxation and VAT services.

Note 7 – Depreciation, amortisation and impairment

Amounts in DKK 1000s	2023	2022
Amortisation, software	632	1,464
Depreciation, domicile properties	1,566	1,790
Depreciation, inventory and fixed assets	359	424
	2,556	3,678

Note 8 – Financial expenses

Amounts in DKK 1000s	2023	2022
Interest expenses, liabilities to credit institutions measured at amortized cost	52,339	28,388
Other interest costs and fees	85	852
Borrowing costs	0	691
	52,424	29,932

Note 9 – Adjustments to fair value, net

Amounts in DKK 1000s	2023	2022
Fair value adjustment, investment properties	-73,750	36,066
	-73,750	36,066

Note 10 – Losses realised on the sale of investment properties

Amounts in DKK 1000s	2023	2022
Sales, investment properties	76,400	110,772
The property's carrying amount on sale etc.	-78,935	-115,238
	-2,535	-4,466

Note 11 – Tax on profit for the year and other comprehensive income

Amounts in DKK 1000s	2023	2022
Annual tax can be divided as follows:		
Current tax on profit of the year	0	0
Current tax on domicile	-795	2,420
Changes in deferred tax liabilities	-10,671	19,518
	-11,467	21,938

Amounts in DKK 1000s	2023	2022
Tax on profit for the year can be explained as follows:		
Estimated tax at a tax rate of 22%	-7,682	16,390
Adjustment of previous years taxes	-3,785	5,548
	-11,467	21,938
Effective tax rate	32.84%	29.45%

Note 12 – Earnings per share

Amounts in DKK 1000s	2023	2022
Profit for the period	-24,245	54,981
Parent company shareholders' share of profit for the year, used to calculate earnings per share	-24,245	54,981
Average number of shares	57,175,572	57,175,572
Average number of own shares	-2,428,031	-2,428,031
Average number of shares in circulation	54,747,541	54,747,541
Convertible bond's average dilution effect	0	0
Diluted average number of shares in circulation	54,747,541	54,747,541
Number of shares, end period	57,175,572	57,175,572
Number of own shares, end period	-2,428,031	-2,428,031
Number of shares in circulation, end period	54,747,541	54,747,541
Convertible bond's dilution effect, end of period	0	0
Diluted average number of shares in circulation	54,747,541	54,747,541
Earnings per share (average number of shares) (DKK)	-0.44	1.00
Diluted results per. share (average number of shares) (DKK)	-0.44	1.00
Earnings per share (DKK), end period	-0.44	1.00
Diluted results per share (DKK), end period	-0.44	1.00

Note 13 – Intangible assets

Amounts in DKK 1000s	2023	2022
Cost at 1 of January	6,091	5,421
Additions during the year	670	670
Cost at 31 December	6,761	6,091
Amortization at 1 January	-5,020	-3,556
Amortization during the year	-1,302	-1,464
Amortization at 31 December	-6,322	-5,020
Balance at 31 December	439	1,071

Note 14 – Domiciles

Amounts in DKK 1000s	2023	2022
Cost at 1 of January	219,438	208,186
Revaluation of value	-3,615	11,252
Cost / Revaluated Value at 31 December	215,823	219,438
Depreciation and amortization at 1 January	-15,976	-14,186
Depreciation	-1,566	-1,790
Depreciation and amortization at 31 December	-17,542	-15,976
Balance at 31 December	198,281	203,462

Domicile properties consist of a hotel in Ballerup and Park Street's headquarters in Copenhagen.

Disclosure of fair value measurement

As the property is presented as a domicile, depreciation is required in accordance with IAS 16. Assets are revaluated equal to fair value at revaluation date (revalued by independent valuer) 31 December 2023, less accumulated depreciation and subsequent impairment losses. There have been revaluations both as of 31 December 2023, and 31 December 2022.

Domicile properties are pledged as security for loans, mortgage loans and other credit institutions as stated in Note 26. Information on fair value hierarchy of Domicile property is as follows:

Amounts in DKK 1000s	Level 1	Level 2	Level 3	Total
At 31 December 2023:				
Domicile property	0	0	198,281	198,241
	0	0	198,241	198,241
At 31 December 2022:				
Domicile property	0	0	203,462	203,462
	0	0	203,462	203,462

Classification of domicile properties in level 3 means that determining the fair value of domicile properties mainly based on data that are not observable in the market.

During the 2023 and 2022 there have been no transfers between levels of the fair value hierarchy.

The fair value of domicile properties is based on estimates. Refer to note 1 for additional details. No domiciles have been acquired in 2023 and 2022.

If Park Street domiciles were measured at the historical cost less accumulated depreciation, the book value would have been the following:

Amounts in DKK 1000s	2023	2022
Domicile properties	112,477	114,043
	112,477	114,043

Note 15 – Investment properties

As of 31 December 2023, the sales processes is going on for 3 office properties regarding investment properties.

Amounts in DKK 1000s	2023	2022
Balance at 1 of January	2,521,580	2,615,814
Costs incurred for improvements	65,284	98,638
Adjustment to fair value, net	-73,750	36,066
Retirement on sale	-76,400	-228,938
Balance at 31 December	2,436,714	2,521,580

Disclosure of fair value measurement

Fair value hierarchy for investment:

Amounts in DKK 1000s	Level 1	Level 2	Level 3	Total
At 31 December 2023:				
Investment properties	0	0	2,436,714	2,436,714
	0	0	2,436,714	2,436,714
At 31 December 2022:				
Investment properties	0	0	2,521,581	2,521,581
	0	0	2,521,581	2,521,581

Classification of investment properties in level 3 means that determining the fair value of investment properties is mainly based on data that is not observable in the market.

During 2023 and 2022 there has been no transfers between levels of the fair value hierarchy.

The fair value of investment properties is based on estimates. Refer to note 1 for additional details.

Total fair value adjustments on investment properties in the financial year are:

Amounts in DKK 1000s	2023	2022
Investment properties	-73,750	36,066
	-73,750	36,066

Total fair value adjustments amounts to DKK -73.8 million (2022: DKK 36.1 million) for the properties owned by the Company as of 31 December 2023. These value adjustments are recognized in the income statement as "Adjustments to fair value, net". Investment properties are pledged as security for debt to mortgage banks and other credit institutions as indicated in Note 26.

The Group does not have any agreement which required the Group to build or redevelop any properties neither in 2023 nor 2022.

The net income of the investment portfolio is as follows:

Amounts in DKK 1000s	2023	2022
Rental income from investment properties	121,028	111,415
Operating expenses, investment properties	-36,996	-40,609
Net income from investment properties	84,032	70,806

The accumulated minimum lease payments for commercial rentals during the non- cancellable period can be shown as follows:

Amounts in DKK 1000s	2023	2022
----------------------	------	------

Before 1 Year	47,035	51,467
Before 2 Years	12,442	18,641
Before 3 years	7,574	15,244
Before 4 years	3,028	3,054
Before 5 years	251	4,216
After 5 years	28,783	13,298
Total accumulated minimum lease payments	99,113	105,920

Note 16 – Machinery and equipment

Amounts in DKK 1000s	IT Equipment	Appliances	Total Machinery and Equipment
Cost at 1 of January 2023	3,568	4,534	8,102
Additions during the year	0	56	56
Disposals during the year	0	0	0
Cost at 31 December 2023	3,568	4,589	8,157
Amortization at 1 January 2023	-3,534	-4,061	-7,594
Amortization during the year	-35	-70	-105
Amortization at 31 December 2023	-3,568	-4,131	-7,699
Balance at 31 December 2023	0	458	458
Cost at 1 of January 2022	3,568	4,285	7,853
Additions during the year	0	248	248
Disposals during the year	0	0	0
Cost at 31 December 2022	3,568	4,534	8,102
Amortization at 1 January 2022	-3,524	-3,839	-7,363
Amortization during the year	-10	-222	-231
Amortization at 31 December 2022	-3,534	-4,061	-7,594
Balance at 31 December 2022	34	473	507

Note 17 – Investment in associates

The company acquired 150,000 units of common membership interest in the entity Enterra Solution, LLC (Address: One Palmer Square, Suite 530, Princeton, NJ 08542) in August 2019 as part of the strategy to develop a Real Estate Platform with Technology. This company has sold this investment in April 2023.

Amounts in DKK 1000s	2023	2022
Cost price at 1 January	.	2,029
Cost price at 31 December	.	2,029
Carrying amount at 31 December	.	2,029

Note 18 – Current financial assets at amortised cost

The Group has the following mortgage and debt instruments classified as "Financial assets measured at amortized cost":

Amounts in DKK 1000s	2023	2022
Financial assets at amortized cost at 1 January	7,412	7,671
Additions for the year	6,702	0
Repayment of the year	0	-259
Financial assets at amortized cost at 31 December	14,114	7,412

Mortgages and debt securities classified as financial instruments in the category "Financial assets at amortized cost" expire in the following periods:

Amounts in DKK 1000s	Effective interest rate p.a.		Balance in DKK 1000		Fair value in DKK 1000		
	2023	2022	2023	2022	2023	2022	
Value	Expire						
DKK	2025	7.50%	7.50%	14,114	7,412	14,114	7,412
				14,114	7,412	14,114	7,412

The calculated fair value is based on estimates (Level 2 in fair value hierarchy).

Note 19 – Trade and other current receivables

Amounts in DKK 1000s	2023	2022
Receivable Rental Income	11,244	6,313
Deposited funds in banks	3,718	24,821
Other Receivables	9,968	-2,541
Receivables at 31 December	24,930	28,594

Write-downs on receivable rental income have been made after an individual assessment and have developed as follows:

Bad debt provision as of 1st of January	4,961	2,788
Net additional provisions	0	69
Recognized losses (Write off)	126	2,104
	5,087	4,961

In the above tenant rental income, receivables have been recognized which were overdue as at 31 December but have not been written down, with the following amounts:

	2023	2022
Up to 30 days	877	121
Between 30 and 90 days	3,048	2,172
Over 90 days	7,319	4,019
	11,244	6,313

Trade receivables are predominantly non-interest bearing. Apart from rental income receivable, Park Street has no receivables that are overdue at the balance sheet date or which have been assessed as impaired.

Funds deposited in banks related to receivables selling price from properties sold, funds deposited as collateral for mortgage loans and deposits as security for the initiated maintenance work on properties.

Note 20 – Cash and cash equivalents

Amounts in DKK 1000s	2023	2022
Deposits in banks for free disposal	38,143	34,468
Petty cash	64	64
	38,207	34,532

Note 21 – Share capital

Amounts in DKK 1000s	2023	2022
Share capital as on 1st of January	57,175	67,513
Share capital Decrease	0	-10,338
Share capital as on 31. December	57,175	57,175

The share capital consists of 57,175,572 shares of DKK 1 (31 December 2022: 57,175,572 shares of DKK 1). The shares are fully paid.

Park Street Asset Management Ltd. and Park Street NordAc Sarl own 100% of the nominal class B share capital and 55.89% of the nominal class A share capital and a total of 93.50% (and a corresponding percentage of the votes) of the total nominal share capital of the Company.

Note 22 – Treasury shares

	Number of shares		Nominal value (Amount in DKK 1000)		Share of share capital	
	2023	2022	2023	2022	2023	2022
As at 1 January	3,465,835	1,037,804	3,466	1,038	0.2%	0.2%
Additions during the year	0	2,428,031	0	2,428	1.3%	1.3%
As at 31 December	3,465,835	3,465,835	3,466	3,466	1.5%	1.5%

All own shares are owned by Park Street A/S.

Note 23 – Deferred Taxes

Amounts in DKK 1000s	2023	2022
Deferred tax liabilities at 1st of January	254,025	232,087
Recognized in other comprehensive income	-795	2,420
Corrections from previous years	-8,712	0
Recognized in the income statement	-10,671	19,518
Deferred tax liabilities at 31 December	233,847	254,025
Deferred tax is recognized in the balance sheet as follows:		
Deferred tax (active)		
Deferred tax (liability)	-233,847	-254,025
Deferred tax at 31 December	-233,847	- 254,025

Deferred tax recognized in the balance

The calculation of deferred taxes included DKK 28 million relating to tax losses carried forward from Group companies. Based on budget accounting and tax profits in the period 2024-2027 and deferred tax liabilities, it is estimated that all tax losses (tax base) will be realized, which is included in the calculation of deferred tax DKK 233.8 million (taxable value) per 31 December 2023 (2022: DKK 254 million)

Deferred tax assets (value calculated at a tax rate of 22%) recognized in the balance sheet relate to profit and losses from the subsidiaries Pulse Taastrup P/S, Pulse Glostrup P/S, Pulse N P/S, Pulse O P/S, Ballerup Hotel P/S, Svanevej P/S, Toldbuen P/S, PS Holdco I P/S, Phoam Studio ApS, PSN ApS, Pulse Living ApS, Albuen ApS, PS I ApS, and Park Street UK.

Amounts in DKK 1000s	Balance 1/1	Recognized in the income statement	Recognized in another comprehensive in- come	Balance 31/12
2023				
Software	98	-312	0	-214
Investment and domicile properties	284,199	-23,208	-795	260,196
Fixtures and fittings	-388	25	0	-363
Receivables	-612	0	0	-612
Provisions	-88	-88	0	-176
Credit institutions	1,131	1,910	0	3,041
Tax losses carryforward	-30,315	2,291	0	-28,024
	254,025	-19,382	-795	233,847
2022				
Software	410	-312	0	98
Investment and domicile properties	266,087	15,692	2,420	284,199
Fixtures and fittings	-413	25	0	-388
Receivables	-612	0	0	-612
Provisions	0	-88	0	-88
Credit institutions	-779	1,910	0	1,131
Tax losses carryforward	-32,606	2,291	0	-30,315
	232,087	19,518	2,420	254,025

Note 24 – Borrowings

Amounts in DKK 1000s	2023	2022
Credit institutions, nominal	1,361,241	1,408,514
Market value adjustments	-5,579	-5,579
	1,355,662	1,402,935
The liabilities are thus included in the balance sheet:		
Credit institutions, long-term	1,332,708	1,382,643
Credit institutions, short-term	22,953	20,293
	1,355,662	1,402,935

The Group's loans and credits are distributed as per 31 December as follows:

Liabilities recognized at fair value	Currency	Rate type	Expiry date	2023	2022
Convertible bonds	DKK	Interest-free	11-15 years	11,335	11,335
				11,335	11,335
Market value adjustments				-5,579	-5,579
Carrying amount				5,757	5,757

Liabilities recognized at amortized cost	Currency	Rate type	Expiry date	2023	2022
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Banks Debt	DKK	Fixed	0-1 years	0	0
Banks Debt	DKK	Fixed	2-5 years	618,631	575,630
Mortgage Debt	DKK	Variable	2-5 Years	50,822	96,146
Mortgage Debt	DKK	Variable	6-10 years	0	0
Mortgage Debt	DKK	Variable	11-15 years	596,489	667,824
Mortgage Debt	DKK	Variable	16-20 years	109,012	109,780
Carrying amount				1,374,955	1,449,380

The nominal amounts stated in the tables represent the amount that Park Street will repay under the loan agreements by the end of these agreements. The interest component is not included in the table above.

Fixed interest loans stated in the tables indicate that a fixed rate applies until the loans' maturity date or until a new negotiation is made with the individual bank. Variable interest rates expressed in the tables indicate that the loans have interest rates that are regularly adjusted over the term of the loans due to fluctuations in market interest rates.

The evolution of the long and short term liabilities with credit institutions is specified follows:

Amounts in DKK 1000s	2023	2022
Non-current financial liabilities	1,382,643	1,488,364
Current financial liabilities	20,293	21,107
Financial liabilities with credit institutions at 1 January	1,402,935	1,509,471
Repayment of liabilities to credit institutions	-89,995	-174,530
Proceeds from assumption of liabilities to credit institutions	42,721	67,994
Financial liabilities with credit institutions at 31 December	1,355,662	1,402,935
Non-current financial liabilities	1,332,708	1,382,643
Current financial liabilities	22,953	20,293
Total financial liabilities with credit institutions at 31 December	1,355,662	1,402,935

Determining the fair value of debt to credit institutions

Information on Group's financial loan agreements, mortgage debt and convertible bonds is disclosed in note 27. Information on estimates and judgments related to the determination of fair value of financial liabilities is disclosed in note 1. As stated in these notes mortgage and bank debt have been recognized at amortised cost in 2023 and 2022.

Zero-coupon bonds (former Convertible bonds)

As a result of a prior bank agreement, Park Street issued in 2010 convertible bonds for a number of credit institutions for a total nominal DKK 69.0 million. The bonds are non-callable by credit institutions until 31 December 2029 and non-amortized. Conversion period for the bonds to shares has expired, and as a result, the bonds in the annual report classified as normal loans from credit institutions and is therefore included under "Credit institutions" in the balance sheet (zero-coupon bonds). The convertible bonds are recorded as subordinated loan capital and are subordinate to all other unsubordinated debt. The movement of the nominal value of these zero-coupon bonds is as follows:

Amounts in DKK 1000s	2023	2022
Zero-coupon bonds at 1 January (Nominal value)	11,335	11,335
Bonds converted into class B shares (Nominal value)	0	0
Zero-coupon bonds at 31 December (Nominal Value)	11,335	11,335

The carrying value of zero-coupon bonds in the statement of financial position is shown in the following table:

Amounts in DKK 1000s	2023	2022
Fair value of financial liability at the date of issue	5,757	5,226
Amortization of convertible bonds at 31 December	0	0
Fair Value adjustment recognized in the Profit and Loss	0	531
Fair Value adjustment of convertible bonds converted in Equity	0	0
Balance at 31 December	5,757	5,757

As stated the Group's non-convertible bonds are recognized as liabilities towards credit institution and are recognized as at fair value based on data that is non-observable in the market.

Note 25 – Provisions

Amounts in DKK 1000s	2023	2022
Provisions at 1 January	400	400
Used in the year	0	0
Reversed during the year	0	0
Accrued in the year	0	0
Provisions 31 December	400	400

Provisions relate to an obligation with the purchaser of a property concerning environmental clean-up on a land.

Disclosure of leases

There are leases hire for cars rental and printers.

Amounts in DKK 1000s	2023	2022
Within 1 year from the balance sheet date	10	10
Between 1 and 5 years from the balance sheet date	387	422
After 5 years from the balance sheet date	0	0
Lease hire obligations at 31 December	397	431
Minimum lease payments recognized in the profit and loss account for the year	44	31

Note 26 – Contingent assets and liabilities

Disclosure of collateral

The nominal pledge for the bank debt and mortgage debt given by credit institutions per 31 December 2023 amounts a total of DKK 1,670 million (31 December 2022: DKK 1,728 million), the nominal value of the loans amounts a total of DKK 1,356 million (31 December 2022: DKK 1,403 million) in the group's investment properties and domiciles with a book value totalling DKK 2,634 million (31 December 2022: DKK 2,725 million).

The nominal pledge for the bank debt and mortgage debt given by credit institutions per 31 December 2023 amounts a total of DKK 7.2 million (31 December 2022: DKK 7.4million), in the group's deposited mortgage deeds with a book value totalling DKK 7.4 million (31 December 2022: DKK 7.7 million).

Disclosure of contingent liabilities

Park Street had a legal dispute with a previous and a current tenant in relation to the lease being deemed as a commercial or a residential lease. Park Street has lost the argument and now the lease is deemed to be residential. This could lead to some potential liability in relation to the dilapidations claim and other aspects. This will be clarified as the case proceeds further with court processes.

No additional significant litigations and disputes are acknowledged by the Group at 31 December 2023, other than the ones indicated in Note 25.

Note 27 – Financial risks

Amounts in DKK 1000s	2023	2022
Mortgages and debentures	14,114	7,412
Financial assets measured at fair value through profit or loss	14,114	7,412
Receivables	24,930	28,594
Cash and equivalents	38,207	34,532
Loan and receivables	63,137	63,125
Credit institutions	-5,757	-5,757
Financial liabilities measured at fair value through profit or loss	-5,757	-5,757
Credit institutions	1,355,662	1,402,935
Deposits	41,849	37,916
Accounts payable	18,557	19,336
Other Debts	6,417	5,827
Financial liabilities measured at amortized cost	1,422,480	1,466,016

Risk management policy

The financial management of the Group is geared towards stabilization and optimization of the Group's operations, while at minimizing the Group's financial risk exposure. It is part of the Group's policy not to conduct speculative transactions by active use of financial instruments.

The group is due to its activities exposed to various financial risks, including liquidity risk, market risks (primarily interest rate risk) and credit risk.

Liquidity risk

Park Street's liquidity risk consists on not being able to make regular payments and not being able to provide sufficient liquidity to cover the financing costs, capital repayment obligations and capital investments. Lack of liquidity may arise from insufficient cash resources and may be adversely affected by missed payments from Park Street tenants, increased vacancy, repayment of deposits, divestments, unexpected costs and investment needs. Lack of liquidity may also arise from default of loans signed and in connection with refinancing when existing loan agreements expire or are terminated.

Cash reserves total at 31 December, 2023 DKK 38.2 million (31 December 2022: DKK 34.5 million). Park Street forecasts that current and generated liquidity is sufficient to carry out the group's planned activities throughout 2024.

Maturity of financial liabilities is specified as follows:

Amounts in DKK 1000s	Carry forward balance	Contractual cash flows	0 - 1 Years	2 - 3 Years	4 - 5 Years	After 5 Years
2023						
Non-derivative financial instruments						
Credit institutions	1,355,662	1,587,129	87,823	742,884	136,014	620,407
Trade payables	18,557	18,557	0	0	0	0
Deposits	41,849	41,849	31,664	5,004	2,312	2,869
Other debts	6,417	6,417	0	0	0	0
Total	1,422,485	1,653,952	119,487	747,888	138,326	623,277

2022						
Non-derivative financial instruments						
Credit institutions	1,402,935	1,685,331	82,476	697,124	96,146	809,585
Trade payables	19,336	19,336	0	0	0	0
Deposits	37,916	37,916	27,693	5,028	2,453	2,742
Other debts	5,827	5,827	0	0	0	0
Total	1,466,014	1,748,410	110,169	702,152	98,599	812,327

Interest rate risk

Park Street is as a result of its financing activities in significant extent exposed to interest rate fluctuations. The interest rate risk is therefore an essential element in the overall assessment of the Group's financial situation.

The interest rate risk as of 31 December, 2023, primarily relate to the following:

- Fluctuations in market interest rates on mortgages with variable rates (Cibor6, F2, F3, F5).
- Renegotiation of the margin rate applied on the mortgage loans.
- Renegotiation of fixed interest rate of bank debt associated with the extension of loans / terms. Fixed rate includes loans, which applies a fixed rate until the loans' maturity date, to other agreed point in time or until a renegotiation is made with the individual bank.

Park Street's major interest rate risk is the risk that the financial creditors on short notice increase terms of interest and margin rates. In this situation, the level of interest and contribution rates depend on negotiations with the financial institutions. The Group's loan portfolio is continuously monitored with a view to optimizing the group's exposure to interest rate risks. Park Street in 31 December 2023, does not have financial instruments for interest rate hedging, and the group has limited opportunities to influence the interest rate risk in the current financial situation.

Group's nominal financial debt is specified as follows, based on the type of interest rate that is linked to individual loans:

Type of loan		Nominal (DKK million)	* Weighted interest rate (per an- num)
At 31 December, 2023:			
Mortgage debt	Cibor3	0	
Mortgage debt	Cibor6	88	4.26%
Mortgage debt	F2	40	2.60%
Mortgage debt	F3	219	1.33%
Mortgage debt	F5	385	1.15%
Bank debt etc.	Cibor3*	624	7.63%
Others	Interest-free	0	0.00%
		1,355	4.39%

Type of loan		Nominal (DKK million)	* Weighted interest rate (per an- num)
At 31 December, 2022:			
Mortgage debt	Cibor3	0	
Mortgage debt	Cibor6	104	4.91%
Mortgage debt	F2	43	2.64%
Mortgage debt	F3	232	0.86%
Mortgage debt	F5	463	0.98%
Bank debt etc.	Cibor3	576	6.67%
Others	Interest- free	0	0.00%
		1,418	3.61%

(*) Weighted interest rate (pa) includes contributions to mortgage and expresses the average weighted interest rates in effect at the turn of the year and in the subsequent period until the next repricing date.

The calculated weighted interest rate for all Group loans at 31 December 2023 is 4.39% per annum, and is based on the latest confirmed interest rates. The corresponding calculated weighted rate at 31 December, 2022 was 3.61% per annum. This have a significant impact on the P&L for 2023.

Breakdown by maturity until the next date of interest rate adjustment distributes the Group's loans as follows (as of Dec. 31):

Amounts in DKK 1000s	2023	2022
Between 0 and 12 months	88	82
Between 2 and 3 years	743	697
Between 4 and 5 years	136	96
After 5 years	620	810
	1,587	1,685

The interest rate adjustment date for fixed-rate and interest-free loans is included in the above table at the time of the renegotiation of the maturity and / or terms of the loans or where existing confirmations on a given interest rate expire for a period.

Interest rate risk from Park Street's view can be presented in the following two divisions:

- Variable market interest rates: Risks associated with fluctuations in market interest rates, i.e. on loans where interest rate adjustment takes place at defined times based on market fluctuations. This applies to mortgage loans with variable interest rates.
- Interest, etc. on all loans: Risks associated with fluctuations in interest rates on all loans. In addition to the above fluctuations in market rates, this includes the renegotiation of contribution rates at mortgage banks and renegotiation of loan terms with bank creditors.

The hypothetical effect on the results and equity after tax as a result of 1 percentage point increase in interest rates (ex. Fair value adjustments) is illustrated in the following table:

Amounts in DKK 1000s	2023	2022
Variable Interest rate loans:		
Effect on income statement	-7.1	-6.8
Effect on equity	-7.1	-6.8

Regarding loans from credit institutions that have ongoing interest rate adjustments resulting from changes in market interest rates, the table above illustrates that the hypothetical effect on net income and equity as a result of one percentage point increase in interest rates amounts to DKK –7.1 million per annum (2022: DKK –6.8 million). The approach used to determine the effect has been carried out by increasing the base rate by 100 basis points of all the loans with floating rate exposure. This analysis includes F2, F3, F5 loans as well. The effect on the income statement has been calculated for a 12 month period.

Currency risk

The group exposure is very limited to changes in currency rates.

Credit risk

The Group's credit risk is primarily related to:

- Lease receivables
- Receivables from the sale of properties
- Receivables form mortgages

The maximum credit risk for financial assets is reflected in the accounting values of the balance sheet, and taking into account securities received.

Risks concerning to rental receivables are limited to Park Street's options to deduct payments from deposits and termination of the covered leases. Credit risk on receivables arising from the sale of properties is limited, as the transactions are always subject to payment of purchase price and deposit of the purchase price. With mortgage deeds, the Group has a usual debtor risk, which is reduced by mortgages on properties.

In order to minimize the risk of loss of receivable rent, the tenants' ability to pay prior to entering into leases is assessed to the extent that it is relevant. In addition, there is usually a requirement for a cash deposit, a guarantee and / or prepaid rent. However, if a tenant is unable to pay, it may result in loss as well as reduced income due to rental allowance upon relocation, lower future rental income and any additional costs incurred in connection with refurbishment etc.

Credit risk on receivables at 31 December 2023 is further described in note 19.

Group's Cash and cash equivalents consists primarily of deposits in reputable banks (with A+ ratings). The group believes that there is no significant credit risk associated with the cash. Deposits in banks are labelled at variable interest rate.

Financial liabilities with credit institutions and fair value

Group's mortgage debt and bank debt is classified as amortized cost. Fair value of loans measured at amortised cost amount to DKK 1,375 thousand. Fair value has been determined as the present value of the contractual cash flows discounted at a rate reflecting the current borrowing rate. Due to the fact that the terms of all loans were renegotiated in 2017, fair value of all floating rate loans is considered to be equal to their carrying amount. Based on a recent transaction, the fair value measurement is considered a level 2 measurement.

The fair value of zero-coupon debt is established based on last year's fair value.

The Group's financial assets and liabilities measured at fair value are classified on the following 3 levels in the fair value hierarchy:

- Level 1: Based on listed prices (non-adjusted) on active markets for identical assets or liabilities.
- Level 2: Based on inputs other than listed prices' that are observable for the asset or liability, either direct (as prices) or indirect (derived from prices).
- Level 3: Based on data that is not observable in the market.

Amounts in DKK 1000s	Carry forward balance	Level 1	Level 2	Level 3
2023				
Mortgages and debentures	14,114	0	14,114	0
Total financial assets	14,114	0	14,114	0
Credit institutions	5,756	0	0	5,756
Total financial liabilities	5,756	0	0	5,756
2022				
Mortgages and debentures	7,671	0	7,671	0
Total financial assets	7,671	0	7,671	0
Credit institutions	5,226	0	0	5,226
Total financial liabilities	5,226	0	0	5,226

It is the Group's policy to recognise transfers between the different levels from the time at which an event or change in circumstances entails a change in the classifications. No transfers were made between levels 1 and 2 in the accounting period.

When calculating the fair value of the Group's liabilities in accordance with level 3 of the fair value hierarchy, a correction is made for the Group's own credit rating, taking into account the legal status of the liabilities, and the security in the assets measured at fair value. Consequently, no direct assumptions of discount factors, etc. are included when measuring liabilities to credit institutions in accordance with level 3 of the fair value hierarchy. The table below shows the change in liabilities to credit institutions measured at fair value in the balance sheet based on valuation methods in which significant inputs are not based on observable market data (level 3):

Amounts in DKK million	2023	2022
Carrying amount at 1st of January	5,757	5,226
Gains / losses in the income statement	0	531
Redemptions	0	0
Transfer to Level 3	0	0
Transfer from Level 3	0	0
Balance at 31st of December	5,757	5,757
Gain / loss in the income statement for liabilities held as at 31 December	0	531

Gains/losses concerning credit institutions measured at fair value are included in the item 'Adjustment to fair value, net' in the income statement. Liabilities to credit institutions measured at fair value are transferred to/from level 3 in the fair value hierarchy depending on whether the fair value of the loans contains a correction for the Group's own credit rating.

For financial instruments that are not measured at fair value, the book value is assessed as being a reasonable approximation of fair value. This is based on the trade price of the underlying bonds (Level 2).

Note 28 – Non-current operating items, etc.

Amounts in DKK 1000s	2023	2022
Depreciation and amortization	-2,556	-3,678
Profit/loss on sale of operating assets	-2,535	-4,466
Total regulation	-5,091	-8,144

Note 29 – Change in operating capital

Amounts in DKK 1000s	2023	2022
Change in receivables	3,664	-4,620
Change in deposit	3,993	-614
Change in trade payables	-780	11,618
Change in total working capital	6,817	6,384

Note 30 – Disclosure of related parties

Park Street Asset Management Ltd. (London, England) has controlling influence in Park Street A/S by virtue of its shareholding of 93.06% of shares and votes in Park Street A/S. See note 5, where the remuneration of Directors and Board of Park Street A/S appears. The Company additionally had the following transactions between Park Street and related parties that consisted of intangible assets.

Amounts in DKK 1000s	2023	2022
Other related parties		
Intangible assets	0	446
Software expenses	1,338	1,338

There have been no other transactions, etc. with related parties during the period.

Note 31 – Subsequent Events

Subsequent events after 31 December 2023

Park Street has sold three assets (Project NV), viz., Hejrevej 26-28 (Hejrevej), Hejrevej 30, (Hejrevej), and Svanavej 12, (Ømevej) to a total amount of DKK 270 million.

From the balance sheet date until the date of presentation of this Annual Report no additional events have occurred other than the above mentioned which significantly affect the assessment of the annual report.

Note 32 – Accounting policies

Statement of IFRS compliance

The annual report for the period 1 January to 31 December 2023 for Park Street A/S comprises the consolidated financial statements of Park Street A/S and its subsidiary companies and separate financial statements of the parent company. The annual report of Park Street A / S for the year 2023 is prepared in accordance with IFRS accounting standards as adopted by the EU and requirements according to the Danish Financial Statements Act. The Company has implemented the following new amendments or new standards (IFRS) for financial year 2023 which is effective from 1 January 2023

- Presentation of Financial Statements and Practice Statement
- Accounting Policies, Changes in Accounting Estimates and Errors
- Income Taxes

The annual report has been approved by the Board of Directors on 4 April 2024. The annual report shall be submitted to Park Street A / S shareholders for approval at the Annual General Meeting that will take place on 26 April 2024.

Disclosure of authorization of financial statements

The annual report is presented in Danish crown (DKK) rounded to the nearest DKK 1,000, which is considered to be the primary currency of the Group's activities and the functional currency of the parent company. The annual report is prepared on a historical cost basis, except for investment properties and certain financial obligations that are measured at fair value. Further, investment properties and domicile are measured at reassessed value. The accounting policies are otherwise as described below.

CHANGES IN ACCOUNTING POLICIES

Accounting policies are unchanged from the previous year.

DESCRIPTION OF CONSOLIDATED ACCOUNTING POLICIES

Consolidated Financial Statements

The consolidated financial statements include Park Street A / S (parent company) and companies (subsidiaries) controlled by the parent. The parent company is deemed to have control if it (i) has control of the relevant activities in the entity, (ii) is exposed to or are entitled to a variable returns from the investment and (iii) may use its controlling interest to affect the variables of their return.

The consolidated financial statements are prepared as a consolidation of the parent financial statements and accounts of the individual subsidiaries, which have been prepared in accordance with the Group's accounting policies, the elimination of intercompany income and expenses, shareholdings, balances, dividends and gains and losses on transactions, taken between the consolidated companies.

Sale of subsidiaries and activities

When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Foreign currency

Transactions in currencies other than the individual companies' functional currencies are translated initially at the transaction date. Receivables and payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the closing rate. Exchange differences arising between the date of transaction and payment date or the balance sheet date are recognized in the income statement under financial income or expenses. Exchange differences arising from the translation of foreign companies' balance sheet items at the beginning of the exchange rates and the translation of income statements from average rates to closing rates are recognized in other comprehensive income.

Exchange rate on full or partial disposal of foreign entities, where control is transferred, the foreign currency translation adjustments are recognized in other comprehensive income, which is attributable to the unit from other comprehensive income to net income along with the gain or loss on the disposal.

PROFIT AND LOSS STATEMENT

Revenue

Revenue includes rental income, interest on mortgage and debt instruments measured at fair value, sale amount from sold project holding, sales of goods and sales of other services. Rental Revenue is measured at the fair value of the consideration received or receivable and is calculated exclusive of VAT collected on behalf of third parties and discounts.

Revenue from the sale of project portfolios is recognized when delivery takes place and transfer of risk to the buyer (sales method), ie when any construction is completed and finally transferred to the buyer, and all essential elements of the sales agreement are met. Sales of goods factored when delivery and risk transition have taken place.

Rental income, interest on mortgage and debt instruments measured at fair value, and sales of other services is recognized in the periods to which they relate.

Operating costs

Operating costs include costs directly related to turnover, including ongoing operating expenses of the Group investment properties, costs associated with the acquisition and construction of submitted project inventories and other operating costs.

Adjustments to fair value, net

Adjustment to fair value, net includes continuous adjustments of investment properties through profit or loss.

Realized gains on sale of investment properties

Realized gains on sale of investment properties is recognized when the risks and rewards are transferred to the buyer, and the control of the property has been transferred.

Financial income and expenses

Financial items include interest income and interest expenses, foreign exchange rate adjustments, amortization premiums / discounts, realized and unrealized gains and losses on securities as well as surcharges and refunds under the tax.

Borrowing costs directly attributable to the development projects of investment or project portfolios, added to the cost of the assets until the time when the project is completed and the property can be used for the intended purpose. If there is a loan directly to finance the development project, calculated borrowing costs on the basis of an average interest rate of the group's loans except for loans recorded at the acquisition of specific assets. Other borrowing costs are recognized in the income statement in the periods to which they relate.

Income tax expense

Tax for the year comprises current tax and changes in deferred tax, is recognized in the income statement with the portion attributable to the profit and directly in equity or in other comprehensive income with the portion attributable to amounts recognized directly in equity and in other comprehensive income.

BALANCE STATEMENT

Intangible assets

Intangible assets (software) is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of those parts that are replaced is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation, based on a component approach, is calculated using the straight line method to allocate the cost over the asset's estimated useful lives. Intangible assets (software) have been depreciated under the assumption of 3 years of useful live.

Depreciation is based on revalued amount less estimated residual value after useful life (residual value).

Domicile

Domicile properties are initially measured at cost. The cost comprises the cost and expenses directly associated with the acquisition. Fair value at the time of a previous investment property is transferred to owner-occupied properties, is considered the property new cost.

Domicile properties are then measured at a readjusted value, corresponding to the fair value at the time of re-evaluation less accumulated depreciation. Principles and Estimates Management's estimate of the properties' fair value are shown in note 1. Revaluations recognized in other comprehensive income and attributed to the separate reserve for revaluation of equity. Owner-occupied properties are depreciated over the assets / components' estimated useful lives, as follows:

Buildings	50 years
Other components	15-30 years

Depreciation is based on revalued amount less estimated residual value after useful life (residual value). Land is not depreciated.

Investment properties

Investment property includes land and buildings held by Park Street to earn rental income and / or capital gains. Investment properties are measured initially at cost, which comprises the properties and cost, directly related costs. Investment properties are then measured at fair value and all value adjustments are recognized in the income statement under "Adjustment to fair value, net".

Principles and methods for management's estimate of the properties' fair values is disclosed in note 1.

Land plots, where here is no final decision on the purpose of usage have been included in the Group's portfolio as investment properties.

Machinery and equipment

All machinery and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of those parts that are replaced is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation, based on a component approach, is calculated using the straight line method to allocate the cost over the asset's estimated useful lives as stated above on Domicile.

Depreciation is based on revalued amount less estimated residual value after useful life (residual value).

Investment in associates

Investments in associates are recognised and measured in the financial statements under the equity method. On acquisition of associates, the difference between the cost of acquisition and net asset value of the equity acquired is determined at the date of acquisition after the individual assets and liabilities have been adjusted to fair value (the acquisition method).

Impairment of non-current assets

The carrying value of tangible assets that are not measured at fair value are assessed regularly and at least annually to determine whether there is any indication of impairment. When such an indication is present, the asset is valued at recovery value. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Value in use is the present value of expected future cash flows from the asset or cash-generating unit to which the asset belongs. If the asset does not generate cash independently of other assets, the recoverable amount of the smallest cash-generating unit that includes the asset.

Impairment is recognized if the carrying amount of an asset or cash-generating unit exceeds the assets' useful or cash-generating unit's recoverable amount does not exceed the carrying amount that the asset would have had after depreciation if the asset had not been impaired.

Current financial assets measured at fair value

Mortgages classified as financial instruments categorized as "financial assets measured at fair value through profit or loss" are recognized at fair value on initial recognition and subsequently measured at fair value, continuously carried out a revaluation of this statement. Fair value is determined based on observable market data (interest rates), the debtor's creditworthiness and on assessments of the loan term to maturity and ranking in the position.

Receivables

Receivables are measured at amortized cost. Impairment losses are made for losses which are deemed to have resulted in an objective indication that an individual receivable is impaired.

Prepayments

Prepayments recognized under assets comprise incurred costs related to coming financial years. Prepayments are measured at cost.

Dividends

Dividends are recognized as a liability at the time of adoption at the general meeting. Dividends proposed for distribution is shown as a separate component of equity until the Annual General Meeting.

Own shares

Acquisition and selling prices of company shares and dividends are recognized directly in equity under retained earnings.

Foreign currency reserve

Currency translation reserve includes the parent company shareholders' share of exchange rate differences arising from the translation of accounts for companies with a different functional currency than Danish crown. The reserve is dissolved by the disposal of foreign entities.

Revaluation reserve

Reserve for revaluation includes the accumulated revaluation of domicile. The reserve is reduced by transfer to the profit for the year, as depreciation and write-downs are made on the properties written up or for sale.

Corporate tax and deferred tax

Current tax liabilities and current tax receivables are recognized in the balance sheet as calculated tax on the taxable income, but adjusted for tax on prior years' taxable income and taxes paid on account.

Deferred tax is measured using the balance sheet liability method on temporary differences between accounting and tax values of assets and liabilities, excluding deferred taxes on temporary differences arising on initial recognition of goodwill or the initial recognition of a transaction that is not a business combinations, and where the temporary difference found at the time of initial recognition affects neither the accounting profit nor taxable income.

Deferred tax assets including the tax value of tax loss carryforwards, are recognized under non-current assets at the value at which they are expected to be used either by elimination in tax on future earnings or against deferred tax liabilities. Deferred tax assets are reviewed annually and recognized only to the extent that it is probable that they will be utilized.

Deferred tax is measured based on the tax rates and at the balance sheet date will be applicable in the respective countries when the deferred tax is expected to crystallize as current tax. Change in deferred tax due to changes in tax rates is recognized in the income statement.

Provisions

Provisions are recognized when, as a result of an event occurring before or at the balance sheet date has a legal or actual obligation and it is probable that a payment will be needed to settle the obligation.

The item includes provision for dealing with specific uncertainties on completed projects. Provisions are measured on a best estimate of the amount required to settle the obligation. Provisions with an expected maturity of one year and above are classified as non-current liabilities.

Liabilities

Borrowings are initially recognized at fair value which is generally proceeds received, and net of transaction costs incurred. Subsequently, borrowings are measured at amortized cost.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Other financial liabilities, including trade and other payables, are on initial recognition measured at fair value. The liabilities are subsequently measured at amortized cost.

Assets held for sale

Assets held for sale include non-current assets that are for sale. Liabilities relating to assets held for sale are liabilities directly related to those assets that will be transferred during the transaction. Assets are classified as "held for sale" when their carrying amount will primarily be recouped through a sale within 12 months according to a formal plan rather than through continued use and provided that the sale at the balance sheet date is considered

to be highly probable. When the properties are expected to be recovered from the sale of subsidiaries that own the properties, all the subsidiaries' assets and liabilities are reclassified.

Assets are not depreciated from the time they are classified as "held for sale". Assets held for sale are measured at the lower of the carrying amount at the time of the "sale-for-sale" or fair value less cost of sale. However, investment properties held for sale are measured according to the Group's usual accounting policies for investment properties, ie. at fair value without deduction of selling costs.

CASH FLOW STATEMENT

The cash flow statement is presented according to the indirect method and shows cash flows divided by operating, investing and financing activities for the year, the year's shift in cash and cash equivalents at the beginning and end of the year.

The liquidity effect on the sale of companies is shown separately under cash flow from investing activities. The cash flow statement recognizes the cash flows of sold companies until the date of sale.

Cash flows from operating activities are calculated as operating profit adjusted for non-cash operating items, changes in working capital, received and paid financial income and expenses and paid corporation tax.

Cash flows from investing activities include payments in connection with sales of companies and activities, purchase and sale of financial assets as well as purchase, development, improvement and sales, etc. of intangible and tangible assets, including investment properties.

Cash flows from financing activities include changes in the parent company's share capital and associated costs as well as admission and repayment of loans, repayment of interest-bearing debt, purchase and sale of own shares and payment of dividends.

Cash and cash equivalents comprise cash with insignificant price risk.



2023

PARK STREET A/S
FINANCIAL STATEMENTS



Income statement

Note	Amounts in DKK 1000s	2023	2022
2	Net sales	95,811	93,549
3	Operating expenses	-22,728	-26,245
	Gross profit	73,083	67,304
4	Employee benefit expenses	-10,700	-12,713
	Other expenses, by nature	-7,592	-9,331
6	Depreciation, amortisation and impairment	-737	-1,648
	Operating profit (EBIT)	54,053	43,611
	Financial income subsidiaries	5,840	11,426
7	Financial expenses	-17,248	-8,113
	Earnings before value adjustments (EBVAT)	42,645	46,924
8	Income / Loss from subsidiaries	27,099	12,727
9	Adjustment to fair value, net	-105,746	24,374
	Gains realised on the sale of investment properties	-2,535	-4,466
	Result before tax	-38,536	79,559
10	Tax on profit for the period	11,471	-15,747
	Result for the period	-27,065	63,812
	Distributed as follows		
	Parent's shareholders	-27,065	63,812
	Result for the period	-27,065	63,812
	Earnings per share, end of period	-0.40	0.95
	Diluted earnings per share, end of period	-0.40	0.95

Statement of comprehensive income

Note	Amounts in DKK 1000s	2023	2022
	Result for the period	-27,065	63,812
	Other comprehensive income:		
	<i>Items that cannot be reclassified to the income statement:</i>		
	Fair value adjustment of domicile properties	0	0
	Tax on fair value adjustment of domicile properties	0	0
	Other comprehensive income after tax	0	0
	Comprehensive income for the period	-27,065	63,812
	Distributed as follows		
	Parent's shareholders	-27,065	63,812
	Comprehensive income for the period	-27,065	63,812

Statement of financial position

Note	Amounts in DKK 1000s	2023	2022
	ASSETS		
	Non-current assets		
	Intangible assets		
	Software	0	446
	Capitalised Leasing Fees	439	625
		439	1,071
	Property, plant and equipment		
12	Investment properties	1,214,789	1,398,766
13	Machinery and equipment	-124	-45
		1,214,665	1,398,721
	Financial assets		
11	Investment in subsidiaries	492,183	465,332
	Investment in associates	0	2,029
	Deposits	161	161
		492,345	467,522
	Total non-current assets	1,707,449	1,867,314
	Current assets		
14	Intercompany receivables	240,182	212,321
15	Trade and other current receivables	17,903	18,805
	Income tax receivable	2,332	2,214
	Prepaid expenses and accrued income	0	911
	Cash and short-term deposits	14,732	7,167
	Total current assets	275,149	241,417
	Total assets	1,982,597	2,103,154
	Equity		
	Share capital	57,175	57,175
	Share Premium	289,260	289,260
	Accumulated profit	713,524	740,589
	Total equity	1,059,959	1,087,024
	LIABILITIES		
	Non-current liabilities		
16	Deferred tax	233,842	247,723
17	Borrowings	629,465	720,686
	Deposits	7,200	1,615
		870,508	970,024
	Current liabilities		
	Provisions	400	400
17	Current borrowings	22,567	20,347
	Trade and other payables	7,079	-1,804
	Deposits	20,675	25,108
	Other liabilities	1,410	2,055
		51,131	46,106
	Total liabilities	922,639	1,016,130
	Total equity and liabilities	1,982,597	2,103,154

Statement of equity

Amounts in DKK 1000s	Share capital	Revaluation reserve	Accumulated profit	Share Premium	Equity Total
Statement of equity for 2023:					
Equity as at 1 January 2023	57,175	0	740,589	289,260	1,087,024
Comprehensive income for the period					
Result for the period	0	0	-27,065	0	-27,065
Fair value adjustment of domicile	0	0	0	0	0
Tax on other comprehensive income	0	0	0	0	0
Other comprehensive income during the financial year	0	0	0	0	0
Comprehensive income for the period	0	0	-27,065	0	- 27,065
Transactions with owners					
Repurchase own shares	0	0	0	0	0
Capital reduction	0	0	0	0	0
Total transactions with owners	0	0	0	0	0
Equity as at 31 December 2023	57,175	0	713,524	289,260	1,059,959
Statement of equity for 2022:					
Equity as at 1 January 2022	67,513	0	860,265	289,260	1,217,038
Comprehensive income for the period					
Result for the period	0	0	63,812	0	63,812
Comprehensive income for the period	0	0	63,812	0	63,812
Transactions with owners					
Repurchase own shares	0	0	-183,488	0	-183,488
Cash reduction	-10,338	0	0	0	-10,388
Total transactions with owners	-10,338	0	-183,488	0	-193,826
Other adjustments					
Depreciation of revalued value of domiciles	57,175	0	740,589	289,260	1,087,024
Equity as at 31 December 2022	57,175	0	740,589	289,260	1,087,024

Statement of cash flows

Note	Amounts in DKK 1000s	2023	2022
	Operating profit (EBIT)	54,063	43,611
	Reversal of depreciations and amortisations	737	1,648
	Change in other operating capital	-31,417	-41,641
	Cash flows concerning primary operations	23,373	3,618
	Financial expenses paid	-17,248	-8,113
	Paid Corporate Tax	0	-3,079
	Total cash flow from operating activities	6,125	-7,572
	Cash flow from investing activities		
	Improvements to investment properties	14,040	-6,313
	Sales of investment properties	76,400	225,505
	Total cash flow from investing activities	90,440	219,192
	Cash flow from financing activities		
	Repurchase Own Shares	0	-183,488
	Repayment of liabilities to credit institutions	-30,728	-29,524
	Repayment of debt from disposal of assets	-58,272	-144,092
	Total cash flow from financing activities	-89,000	-357,104
	Total cash flow for the period	7,565	-145,485
	Liquid assets as at 1 January	7,167	152,652
	Liquid assets at the end of the period	14,732	7,167
	Liquid assets at the end of the period		
	Cash and short term deposit	14,732	7,167
	Liquid assets at the end of the period	14,732	7,167

Summary

Note 1	Accounting policies, accounting estimates, risks etc.
Note 2	Net sales
Note 3	Operating expenses
Note 4	Employee Expenditure
Note 5	Auditor's fees
Note 6	Depreciation and amortization
Note 7	Financial expenses
Note 8	Income / (loss) from subsidiaries
Note 9	Adjustment to fair value, net
Note 10	Tax on profit for the year and other comprehensive income
Note 11	Investment in subsidiaries
Note 12	Investment properties
Note 13	Machinery and equipment
Note 14	Intercompany receivables
Note 15	Trade and other current receivables
Note 16	Deferred taxes
Note 17	Borrowings
Note 18	Contingent assets and liabilities
Note 19	Financial risks
Note 20	Change in other working capital
Note 21	Related parties
Note 22	Events after the balance sheet date
Note 23	Accounting policies

Notes

Note 1 - Accounting policies, accounting estimates and risks, etc.

The accounting assumptions, assessments and estimates made in the preparation of the parent company accounts are the same as described in note 23 of these financial statements, to which reference is made.

See note 11 regarding the recognition and measurement of investments, receivables from subsidiaries and provisions relating to subsidiaries in the Parent Company's financial statements.

Note 2 - Net sales

Amounts in DKK 1000s	2023	2022
Rental income	83,877	80,543
Sales of other services	11,934	12,551
Total sales of services	95,811	93,094
Interest income, mortgages and instruments of debt	0	455
	95,811	93,549

Note 3 - Operating expenses

Amounts in DKK 1000s	2023	2022
Operating expenses, investment properties	22,723	26,245
Operating expenses, other services	5	0
	22,728	26,245

Note 4 – Employee benefits expenses

Amounts in DKK 1000s	2023	2022
Salary	9,770	11,595
Contribution-based pensions (*)	486	677
Other social security costs	80	57
Other staff costs	364	385
	10,700	12,713
Average number of employees	10	17

(*) Park Street A/S has only defined contribution plans. For defined contribution plans, the employer undertakes to pay a defined contribution to a pension fund, but has no risk with regard to future developments in interest rates, inflation, mortality, disability, etc. as regards the amount to be paid to the employee.

Remuneration of the CEO and the Board of Directors is described in Note 5 of the consolidated accounts.

Note 5 – Auditor’s fees

The auditor appointed in 2023 and 2022 is PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab. Their fees can be specified as follows:

Amounts in DKK 1000s	2023	2022
Statutory audit	811	588
Tax and VAT advice	243	334
	1,031	922

Fees for non-audit services delivered by PricewaterhouseCoopers, Statsautoriseret Revisionspartnerselskab, include general accounting and tax advisory services.

Note 6 – Depreciation, amortisation and impairment

Amounts in DKK 1000s	2023	2022
Depreciation, software	632	1,464
Depreciation, inventory and fixed assets	105	185
	737	1,648

Note 7 – Financial Expenses

Amounts in DKK 1000s	2023	2022
Interest expenses, liabilities to credit institutions measured at amortized cost	17,187	6,781
Other interest costs and fees	74	640
Borrowing costs	-13	691
	17,248	8,113

Note 7 (a) - Financial Income

Amounts in DKK 1000s	2023	2022
Interest income, Intercompany	5,840	11,426
	5,840	11,426

Note 8 – Year’s result in subsidiary companies

Amounts in DKK 1000s	2023	2022
Income / Loss from subsidiaries	27,099	12,727
	27,099	12,727

Note 9 – Adjustments to fair value, net

Amounts in DKK 1000s	2023	2022
Fair value adjustment, investment properties	-105,746	24,374
	-105,746	24,374

Note 10 – Tax on profit for the year and other comprehensive income

Amounts in DKK 1000s	2023	2022
Annual tax can be divided as follows:		
Current tax on profit of the year	0	0
Current tax adjustment (Dom)	0	0
Changes in deferred taxes	-11,471	21,565
Changes in deferred taxes previous years	0	-5,818
	-11,471	15,747
Tax on profit for the year can be explained as follows:		
Estimated tax at a tax rate of 22%	-8,478	17,503
Adjustment of deferred tax assets and liabilities	-2,993	-1,756
	-11,471	15,747
Effective tax rate	29.77%	19.79%

Amounts in DKK 1000s	2023	2022
Tax on other comprehensive income:		
Tax on fair value adjustment of domicile properties	0	0
	0	0

Note 11 – Investment in subsidiaries

See accounting policies on note 23 of the Parent's Financial Statements.

Receivables considered part of the overall investment in the subsidiary are written down by any remaining negative equity value.

Amounts in DKK 1000s	2023	2022
Cost price at 1 January	404,144	404,144
Additions	0	0
Cost price at 31 December	404,144	404,144
Value adjustments at 1 January	62,426	49,699
Share of profit/loss for the year after tax	27,099	12,727
Value adjustments at 31 December	89,525	62,426

Carrying amount at 1 January	465,532	452,291
Investments with negative equity offset against trade receivables	-1,486	-1,239
Carrying amount at 31 December	492,183	465,332

List of subsidiaries:

Subsidiaries	Registered Address	Equity
PSN ApS	Svanevej 12, 4th Floor, 2400 Copenhagen NV	100%
Pulse Glostrup P/S	Svanevej 12, 4th Floor, 2400 Copenhagen NV	100%
Pulse Taastrup P/S	Svanevej 12, 4th Floor, 2400 Copenhagen NV	100%
Phoam Studio ApS	Svanevej 12, 4th Floor, 2400 Copenhagen NV	100%
Pulse Living ApS	Svanevej 12, 4th Floor, 2400 Copenhagen NV	100%
Albuen ApS	Svanevej 12, 4th Floor, 2400 Copenhagen NV	100%
PSI ApS	Svanevej 12, 4th Floor, 2400 Copenhagen NV	100%
PSI Hold Co P/S	Svanevej 12, 4th Floor, 2400 Copenhagen NV	100%
Pulse N P/S	Svanevej 12, 4th Floor, 2400 Copenhagen NV	100%
Pulse O P/S	Svanevej 12, 4th Floor, 2400 Copenhagen NV	100%
Ballerup Hotel P/S	Svanevej 12, 4th Floor, 2400 Copenhagen NV	100%
Toldbuen P/S	Svanevej 12, 4th Floor, 2400 Copenhagen NV	100%
Svanevej P/S	Svanevej 12, 4th Floor, 2400 Copenhagen NV	100%
Park Street Nordicom UK Ltd	85, Great Portland Street, London, W1W 7LT, England	100%

Note 12 – Investment properties

As of 31 December 2023 the sales processes is going on for 3 office properties regarding investment properties.

Amounts in DKK 1000s	2023	2022
Balance at 1 of January	1,398,722	1,596,596
Costs incurred for improvements	0	6,313
Adjustment to fair value, net	-105,746	24,374
Additions fixed assests	0	561
Depreciation of fixed assets	0	-185
Retirement on sale	-78,187	-228,894
Balance at 31 December	1,214,789	1,398,766

Fair value hierarchy for investment:

Amounts in DKK 1000s	Level 1	Level 2	Level 3	Total
At 31 December 2023:				
Investment properties	0	0	1,214,789	1,214,789
	0	0	1,214,789	1,214,789
At 31 December 2022:				
Investment properties	0	0	1,398,766	1,398,766
	0	0	1,398,766	1,398,766

Classification of investment properties in level 3 means that determining the fair value of investment properties is mainly based on data that is not observable in the market.

During 2023 and 2022 there has been no transfers between levels of the fair value hierarchy.

The fair value of investment properties is based on estimates. Refer to note 15 in the consolidated financial statements for additional details.

The net income of the investment portfolio is as follows:

Amounts in DKK 1000s	2023	2022
Rental income from investment properties	83,877	80,543
Operating expenses, investment properties	-22,723	-26,245
Net income from investment properties	61,154	54,298

The Group has entered into operating leases (leases) to tenants of its investment properties. The leases duration is up to 15 years. The contract minimum payments under existing leases are distributed as follows:

Amounts in DKK 1000s	2023	2022
Remaining termination within 1 year from the balance sheet date	583	26,972
Remaining termination between 1 and 5 years from the balance sheet date	916	70,238
Remaining termination after 5 years from the balance sheet date	56,442	57,607
	57,941	154,817

The accumulated minimum lease payments for commercial rentals during the non- cancellable period can be shown as follows:

Amounts in DKK 1000s	2023	2022
Before 1 Year	37,263	33,646
Before 2 Years	10,095	13,544
Before 3 years	4,740	12,069
Before 4 years	2,330	1,861
Before 5 years	0	1,694
After 5 years	16,167	11,462
Total accumulated minimum lease payments	70,594	74,277

Note 13 – Machinery and equipment

Amounts in DKK 1000s	IT Equipment	Appliances	Total Machinery and Equipment
Cost at 1 of January 2023	4,150	8,424	12,574
Additions during the year	0	0	0
Disposals during the year	0	0	0
Cost at 31 December 2023	4,150	8,424	12,574
Amortization at 1 January 2023	-4,141	-8,478	-12,619
Amortization during the year	-36	-43	-79
Amortization at 31 December 2023	-4,177	-8,521	-12,698
Balance at 31 December 2023	-27	-97	-124
Cost at 1 of January 2022	4,150	8,424	12,574
Additions during the year	0	0	0

Disposals during the year	0	0	0
Cost at 31 December 2022	4,150	8,424	12,574
Amortization at 1 January 2022	-4,131	-8,395	-12,526
Amortization during the year	-10	-83	-93
Amortization at 31 December 2022	-4,141	-8,478	-12,619
Balance at 31 December 2022	9	-54	-45

Note 14 – Intercompany receivables

Park Street has the following receivables:

Amounts in DKK 1000s	2023	2022
Intercompany receivables at 1 January	212,321	212,579
Repayment of the year	0	-258
Additions - Intercompany loans	27,861	0
Financial assets at amortized cost at 31 December	240,182	212,321

Park Street A/S has provided a credit line facility to the subsidiary Pulse Taastrup P/S with an aggregate principal amount of nominal DKK 175 million (175 million utilized at 31.12.22) with an annual interest rate of 7.5% payable at the maturity date of the loan. Additionally, Park Street A/S has provided a credit line facility to the subsidiary Phoam Studio ApS with an aggregate principal amount of nominal DKK 5 million (5 million utilized at 31.12.22) with an annual interest rate of 7.5% payable at the maturity date of the loan.

Note 15 – Trade and other current receivables

Amounts in DKK 1000s	2023	2022
Receivable Rental Income	8,003	4,607
Deposited funds in banks	383	8,272
Other Receivables	9,517	5,927
Receivables at 31 December	17,903	18,806

Write-downs on receivable rental income have been made after an individual assessment and have developed as follows:

Bad debt provision as of 1st of January	2,165	2,444
Additional provisions	0	-277
Reversal	-1	-1
	2,164	2,165

In the above tenant rental income, receivables have been recognized which were overdue as at 31 December but have not been written down, with the following amounts:

Up to 30 days	1,305	276
Between 30 and 90 days	2,278	2,535
Over 90 days	4,420	1,801
	8,003	4,612

Trade receivables are predominantly non-interest bearing. Apart from rental income receivable, Park Street has no receivables that are overdue at the balance sheet date or which have been assessed as impaired.

Funds deposited in banks relate to receivables selling price from properties sold, funds deposited as collateral for mortgage loans and deposits as security for the initiated maintenance work on properties.

Note 16 – Deferred Taxes

Amounts in DKK 1000s	2023	2022
Deferred tax liabilities at 1st of January	247,723	232,087
Correction from previous years	-2,410	0
Recognized in the income statement	-11,471	15,636
Deferred tax liabilities at 31 December	233,842	247,723
Deferred tax is recognized in the balance sheet as follows:		
Deferred tax (active)		
Deferred tax (liability)	-233,842	-247,723
Deferred tax at 31 December	-233,842	-247,723

Deferred tax recognized in the balance

The calculation of deferred taxes included DKK 28 million relating to tax losses carried forward from Group companies. Based on budget accounting and tax profits in the period 2024-2027 and deferred tax liabilities, it is estimated that all tax losses (tax base) will be realized, which is included in the calculation of deferred tax DKK 237.8 million (taxable value) per 31 December 2023 (2022: DKK 247.7 million).

Amounts in DKK 1000s	Balance 1/1	Recognized in the income statement	Recognized in another comprehensive income	Balance 31/12
2023				
Software	98	-312	0	-214
Investment and residential properties	277,897	-17,707	0	260,190
Fixtures and fittings	-388	25	0	-363
Receivables	-612	0	0	-612
Provisions	-88	-88	0	-176
Credit institutions	1,131	1,910	0	3,041
Tax losses carryforward	-30,315	2,291	0	-28,024
	247,723	-13,881	0	233,842

Amounts in DKK 1000s	Balance 1/1	Recognized in the income statement	Recognized in another comprehensive income	Balance 31/12
2022				
Software	410	-312	0	98
Investment and residential properties	266,087	11,810	0	277,897
Fixtures and fittings	-413	25	0	-388
Receivables	-612	0	0	-612
Provisions	0	-88	0	-88
Credit institutions	-779	1,910	0	1,131
Tax losses carryforward	-32,606	2,291	0	-30,315
	232,087	15,636	0	247,723

There are no deferred tax assets not recognized in the balance.

Note 17 – Borrowings

Amounts in DKK 1000s	2023	2022
Credit institutions, nominal	657,612	747,142
Market value adjustments	-5,579	-6,110
	652,033	741,032
The liabilities are thus included in the balance sheet:		
Credit institutions, long-term	629,465	720,686
Credit institutions, short-term	22,567	20,347
	652,033	741,032

The Group's loans and credits are distributed as per 31 December as follows:

Liabilities recognized at fair value	Currency	Rate type	Expiry date	2023	2022
Convertible bonds	DKK	Interest-free	10-14 years	11,335	11,335
				11,335	11,335
Market value adjustments				-5,579	-6,110
Carrying amount				5,757	5,226

Liabilities recognized at amortized cost	Currency	Rate type	Expiry date	2023	2022
Mortgage Debt	DKK	Variable	2-5 years	50,822	64,604
Mortgage Debt	DKK	Variable	6-10 years	0	0
Mortgage Debt	DKK	Variable	11-15 years	596,489	667,824
Mortgage Debt	DKK	Variable	16-20 years	0	0
Carrying amount				647,312	732,428

The nominal amounts stated in the tables represent the amount that Park Street will repay under the loan agreements by the end of these agreements.

Fixed interest loans stated in the tables indicate that a fixed rate applies until the loans' maturity date or until a new negotiation is made with the individual bank. Variable interest rates expressed in the tables indicate that the loans have interest rates that are regularly adjusted over the term of the loans due to fluctuations in market interest rates.

The evolution of the long and short term liabilities with credit institutions is specified follows:

Amounts in DKK 1000s	2023	2022
Non-current financial liabilities	720,686	894,301
Current financial liabilities	20,347	20,347
Financial liabilities with credit institutions at 1 January	741,032	914,648
Repayment of liabilities to credit institutions	-89,000	-173,616
Financial liabilities with credit institutions at 31 December	652,032	741,032
Non-current financial liabilities	629,465	720,686
Current financial liabilities	22,567	20,347
Total financial liabilities with credit institutions at 31 December	652,033	741,032

Determining the fair value of debt to credit institutions

Information on Group's financial loan agreements, mortgage debt and convertible bonds is disclosed in note 24 of the consolidated financial statements. Information on estimates and judgments related to the determination of fair value of financial liabilities is disclosed in note 1 of the Consolidated Financial Statements. As stated in these notes mortgage and bank debt have been recognized at amortised cost in 2022. No reversal of fair value adjustments in 2023.

Zero-coupon bonds (former Convertible bonds)

See note 24 in the Consolidated Financial Statements.

Note 18 – Contingent assets and liabilities

Disclosure of collateral

The nominal pledge for the bank debt and mortgage debt given by credit institutions per 31 December, 2023 amount a total of DKK 652 million (31 December 2022: DKK 732 million), the nominal value of the loans amounts a total of DKK 652 million (31 December 2022: DKK 741 million) in the group's investment properties and domiciles with a book value totalling DKK 1,233 million (31 December 2022: DKK 1,399 million).

The nominal pledge for the bank debt and mortgage debt given by credit institutions per 31 December, 2023 amount a total of DKK 7.4 million (31 December 2022: DKK 7.4 million), in the group's deposited mortgage deeds with a book value totalling DKK 7.4 million (31 December 2022: DKK 7.4 million).

Disclosure of contingent liabilities

Park Street had a legal dispute with a previous tenant in relation to the lease being deemed as a commercial or a residential lease. Park Street has lost the argument and now the lease is deemed to be residential. This could lead to some potential liability in relation to the dilapidations claim and other aspects. This will be clarified as the case proceeds further with the Housing Board.

No additional significant litigations and disputes are acknowledged by the Group at 31 December, 2023.

Lease hire agreements

There are lease hire agreements for cars rental and printers.

	2023	2022
Within 1 year from the balance sheet date	10	10
Between 1 and 5 years from the balance sheet date	422	422
After 5 years from the balance sheet date	0	0
Lease hire obligations at 31 December	431	431
Minimum lease payments recognized in the profit and loss account for the year	31	31

Note 19 – Financial risks

Amounts in DKK 1000s	2023	2022
Mortgages and debentures	7,412	7,412
Intercompany loan	157,883	157,883
Financial assets measured at amortized cost	165,296	165,296

Receivables	92,789	60,252
-------------	--------	--------

Cash and equivalents	14,732	7,167
Loan and receivables	107,521	67,419
Credit institutions	5,757	5,757
Financial liabilities measured at fair value through profit or loss	5,757	5,757
Credit institutions	652,033	741,032
Deposits	27,876	26,723
Accounts payable	7,079	3,773
Other Debts	881	2,055
Financial liabilities measured at amortized cost	687,868	773,585

Risk management policy

The financial management of the Group is geared towards stabilization and optimization of the Group's operations, while at minimizing the Group's financial risk exposure. It is part of the Group's policy not to conduct speculative transactions by active use of financial instruments.

The group is due to its activities exposed to various financial risks, including liquidity risk, market risks (primarily interest rate risk) and credit risk.

Liquidity risk

Park Street's liquidity risk consists on not being able to make regular payments and not being able to provide sufficient liquidity to cover the financing costs, capital repayment obligations and capital investments. Lack of liquidity may arise from insufficient cash resources and may be adversely affected by missed payments from Park Street tenants, increased vacancy, repayment of deposits, divestments, unexpected costs and investment needs. Lack of liquidity may also arise from default of loans signed and in connection with refinancing when existing loan agreements expire or are terminated.

Cash reserves total at 31 December, 2023 DKK 14.7 million (31 December 2022: DKK 7.2 million). Park Street forecasts that current and generated liquidity is sufficient to carry out the group's planned activities throughout 2023.

Maturity of financial liabilities is specified as follows:

Amounts in DKK 1000s	Carry forward balance	Contractual cash flows	0 - 1 Years	2 - 3 Years	4 - 5 Years	After 5 Years
2023						
Non-derivative financial instruments						
Credit institutions	652,033	883,500	75,642	385,618	82,141	340,098
Trade payables	7,079	7,079	0	0	0	0
Deposits	27,876	27,876	14,960	10,583	1,570	764
Other debts	881	881	881	0	0	0
Total	687,868	919,336	91,483	396,201	83,711	340,862
2022						
Non-derivative financial instruments						
Credit institutions	741,032	751,837	19,409	437,209	64,604	230,615
Trade payables	-2,001	-2,001	0	0	0	0
Deposits	26,723	27,507	14,591	10,583	1,570	764
Other debts	2,055	2,005	2,005	0	0	0
Total	767,810	779,399	36,055	447,792	66,174	231,379

Interest rate risk

Park Street is as a result of its financing activities in significant extent exposed to interest rate fluctuations. The interest rate risk is therefore an essential element in the overall assessment of the Group's financial situation.

The interest rate risk as of 31 December, 2023 primarily relate to the following:

- Fluctuations in market interest rates on mortgages with variable rates (Cibor6, F2, F3, F5).
- Renegotiation of the margin rate applied on the mortgage loans.
- Renegotiation of fixed interest rate of bank debt associated with the extension of loans / terms. Fixed rate includes loans, which applies a fixed rate until the loans' maturity date, to other agreed point in time or until a renegotiation is made with the individual bank.

Park Street's major interest rate risk is the risk that the financial creditors on short notice increase terms of interest and margin rates. In this situation, the level of interest and contribution rates depend on negotiations with the financial institutions. The Group's loan portfolio is continuously monitored with a view to optimizing the group's exposure to interest rate risks. Park Street at 31 December, 2023 does not have financial instruments for interest rate hedging, and the group has limited opportunities to influence the interest rate risk in the current financial situation.

Group's nominal financial debt is specified as follows, based on the type of interest rate that is linked to individual loans:

Type of loan		Nominal (DKK million)	* Weighted interest rate (per annum)
At 31 December, 2023:			
Mortgage debt	Cibor6	88	4.26%
Mortgage debt	F2	40	2.60%
Mortgage debt	F3	110	1.28%
Mortgage debt	F5	390	1.15%
Bank debt etc.	Fixed	25	1.15%
Others	Interest-free	0	-
		652	2.98%
At 31 December, 2022:			
Mortgage debt	Cibor6	104	4.91%
Mortgage debt	F2	43	2.64%
Mortgage debt	F3	122	0.86%
Mortgage debt	F5	463	0.98%
Bank debt etc.	Fixed	0	-
Others	Interest-free	0	-
		732	1.62%

The calculated weighted interest rate for all Park Street loans at 31 December 2023 was 2.98% per annum and is based on the latest confirmed interest rates. The corresponding calculated weighted rate at 31 December 2022 was 1.62% per annum.

Breakdown by maturity until the next date of interest rate adjustment distributes the Group's loans as follows (as of Dec. 31):

Amounts in DKK million	2023	2022
Between 0 and 12 months	76	19
Between 2 and 3 years	386	0
Between 4 and 5 years	82	64
After 5 years	340	668
	884	752

The interest rate adjustment date for fixed-rate and interest-free loans is included in the above table at the time of the renegotiation of the maturity and / or terms of the loans or where existing confirmations on a given interest rate expire for a period.

Interest rate risk from Park Street's view can be presented in the following two divisions:

- Variable market interest rates: Risks associated with fluctuations in market interest rates, ie. on loans where interest rate adjustment takes place at defined times based on market fluctuations. This applies to mortgage loans with variable interest rates.
- Interest, etc. on all loans: Risks associated with fluctuations in interest rates on all loans. In addition to the above fluctuations in market rates, this includes the renegotiation of contribution rates at mortgage banks and renegotiation of loan terms with bank creditors.

The hypothetical effect on the results and equity after tax as a result of 1 percentage point increase in interest rates (ex. Fair value adjustments) are illustrated in the following table:

Amounts in DKK 1000s	2023	2022
Variable Interest rate loans:		
Effect on income statement	-1.0	-1.0
Effect on equity	-1.0	-1.0

On loans from credit institutions, with ongoing interest rate adjustments resulting from changes in market interest rates, illustrates the table above that the hypothetical effect on net income and equity as a result of one percentage point increase in interest rates amounts to DKK -1.0 million per annum (2022 DKK -1.0 million).

Currency risk

The group exposure is very limited to changes in currency rates.

Credit risk

The Group's credit risk is primarily related to:

- Lease receivables
- Receivables from the sale of properties
- Receivables form mortgages

The maximum credit risk for financial assets is reflected in the accounting values of the balance sheet, and taking into account securities received.

Risks concerning to rental receivables are limited to Park Street's options to deduct payments from deposits and termination of the covered leases. Credit risk on receivables arising from the sale of properties is limited, as the transactions are always subject to payment of purchase price and deposit of the purchase price. With mortgage deeds, the Group has an usual debtor risk, which is reduced by mortgages on properties.

In order to minimize the risk of loss of receivable rent, the tenants' ability to pay prior to entering into leases is assessed to the extent that it is relevant. In addition, there is usually a requirement for a cash deposit, a guarantee and / or prepaid rent. However, if a tenant is unable to pay, it may result in loss as well as reduced income due to rental allowance upon relocation, lower future rental income and any additional costs incurred in connection with refurbishment etc.

Credit risk on receivables at 31 December, 2023, is further described in note 19 of the consolidated financial statements.

Group's Cash and cash equivalents consists primarily of deposits in reputable banks. The group believes that there is no significant credit risk associated with the cash. Deposits in banks are labelled at variable interest rate.

Financial liabilities with credit institutions and fair value

Group's mortgage debt and bank debt is classified as amortized cost. Fair value of loans measured at amortised cost amount to DKK 909,420. Fair value has been determined as the present value of the contractual cash flows discounted at a rate reflecting the current borrowing rate. Due to the fact that the terms of all loans were renegotiated in 2017, fair value of all floating rate loans is considered to be equal to their carrying amount. Based on a recent transaction, the fair value measurement is considered a level 2 measurement.

The fair value of zero-coupon debt is established based on the fair value estimated by an independent reviewer (estimated rate of 50.79 at 31 December, 2022).

The Group's financial assets and liabilities measured at fair value are classified on the following 3 levels in the fair value hierarchy:

- Level 1: Based on listed prices (non-adjusted) on active markets for identical assets or liabilities.
- Level 2: Based on inputs other than listed prices that are observable for the asset or liability, either direct (as prices) or indirect (derived from prices).
- Level 3: Based on data that is not observable in the market.

Amounts in DKK 1000s	Carry forward balance	Level 1	Level 1	Level 2
2023				
Mortgages and debentures	7,412	0	0	7,412
Intercompany loan	157,883			157,883
Total financial assets	165,296	0	0	165,296
Credit institutions	5,757	0	0	5,757
Total financial liabilities	5,757	0	0	5,757
2022				
Mortgages and debentures	7,412	0	0	7,412
Intercompany loan	157,883			157,883
Total financial assets	165,296	0	0	165,296
Credit institutions	5,757	0	0	5,757
Total financial liabilities	5,757	0	0	5,757

It is the Group's policy to recognise transfers between the different levels from the time at which an event or change in circumstances entails a change in the classifications. No transfers were made between levels 1 and 2 in the accounting period.

When calculating the fair value of the Group's liabilities in accordance with level 3 of the fair value hierarchy, a correction is made for the Group's own credit rating, taking into account the legal status of the liabilities, and the security in the assets measured at fair value. Consequently, no direct assumptions of discount factors, etc. are included when measuring liabilities to credit institutions in accordance with level 3 of the fair value hierarchy. The table below shows the change in liabilities to credit institutions measured at fair value in the balance sheet based on valuation methods in which significant inputs are not based on observable market data (level 3):

Amounts in DKK million	2023	2022
Carrying amount per. 1st of January	5,757	5,226
Gains / losses in the income statement	0	531
Balance at 31st of December	5,757	5,757
Gain / loss in the income statement for liabilities held at 31st of December	0	531

Gains/losses concerning credit institutions measured at fair value are included in the item 'Adjustment to fair value, net' and in the item 'Special items' in the income statement of the consolidated financial statements. Liabilities to credit institutions measured at fair value are transferred to/from level 3 in the fair value hierarchy depending on whether the fair value of the loans contains a correction for the Group's own credit rating.

For financial instruments that are not measured at fair value, the book value is assessed as being a reasonable approximation of fair value.

Note 20 – Changes in other working capital

Amounts in DKK 1000s	2023	2022
Change in receivables	-26,960	-24,214
Change in deposit	-1,152	2,798
Change in trade payables	-3,305	14,906
Change in total working capital	-31,417	-6,510

Note 21 – Related parties

Park Street Asset Management Ltd. (London, England) has controlling influence in Park Street A/S by virtue of its shareholding of 93.06% of shares and votes in Park Street A/S. See note 5 in the Consolidated annual report, where the remuneration of Directors and Board of Park Street appears. The Company has additionally had the following transactions between Park Street and related parties:

Amounts in DKK 1000s	2023	2022
Other related parties		
Intangible assets	0	446
Software expenses	0	1,338

There have been no other transactions, etc. with related parties during the period.

Note 22 – Accounting policies

Park Street A/S applies the same accounting policies as stated in Note 33 on the consolidated financial statements, in addition the following note is applicable for the parent company:

Investment in subsidiaries

Investments in subsidiaries are recognised and measured in the financial statements of the parent company under the equity method. On acquisition of subsidiaries, the difference between cost of acquisition and net asset value of the entity acquired is determined at the date of acquisition after the individual assets and liabilities having been adjusted to fair value (the acquisition method).

The item "Income (loss) from investment in subsidiaries" in the income statement includes the proportionate share of the profit after tax of the subsidiary. The item "Investments in subsidiaries" in the balance sheet includes the proportionate ownership share of the net asset value of the entities calculated under the accounting policies of the parent company with deduction or addition of unrealised intercompany profits or losses and with addition of any remaining value of the positive differences (goodwill).

Subsidiaries with a negative net assets value are measured at DKK 0, and any receivables from these are written down by the parent company's share of the negative net asset value, if impaired. Any legal or constructive obligation of the parent company to cover the negative balance of the subsidiaries is recognised as provisions. The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation" under equity. Gains and losses on disposals or winding up of subsidiaries are calculated as the difference between the sales value or cost of winding up and the carrying amount of the net assets at the date of acquisition including goodwill and expected loss of disposal or winding up. The gains or losses are included in the income statement.

Financial Ratios

The financial ratios have been calculated as follows:

Return on property portfolio (% p.a.): $\text{Gross profit} \times 100 / \text{Fair value of investment and domicile properties}$

Average loan rate (% p.a.): $\text{Financial items} \times 100 / \text{Credit institutions}$ Return margin on property portfolio (% p.a.):

Return on property portfolio (% p.a.) - Average loan rate

Return on equity (%): $\text{Profit for the period} / \text{Total equity}$

Equity ratio (%): $\text{Total equity} / \text{Total assets}$

Net asset value per share, end of period (DKK): $\text{Total equity} / \text{Share capital}$

Earnings per share (avg. Number of shares) (DKK): $\text{Profit for the period} / \text{Average number of shares}$

Earnings per share, end of period (DKK): $\text{Profit for the period} / \text{Number of own shares, end period}$

Dividend yield (%): $\text{Dividend per share} / \text{Share price, end of period}$ Price/net asset value, end of period:

$\text{Share price} / \text{Net asset value per share, end of period}$

Cash flow from operations per share (DKK): $\text{Cash flows from operations} / \text{Diluted average number of shares in circulation}$

PROPERTY OVERVIEW

Park Street Group owns at 31 December 2023, 42 properties.

#	Strategy	Property Type	Address	ZIP	City
1	Spark Office	Office	Dannebrogsgade 2,	5000	Odense
2			Glostrup	2600	Glostrup
3	Stable Office	Office	Omøvej 9	4700	Næstved
4			1 C, Vilhelmskildevej	5700	Svendborg
5			6, Jernbanegade 6	4000	Roskilde
6			23-35, Birkemose Allé 23-35	6000	Kolding
7			6, Toldbuen	4700	Næstved
8			275, Svendborgvej	5000	Odense
9			21, Birkemose Allé	6000	Kolding
10			9 B, Birkemosevej	6000	Kolding
11			22, Stagehøjvej	8600	Slikeborg
12	Stable Residential	Residential	Nørregade 31-33	4100	Ringsted
13	Stable Retail	Retail	Ros Have 8, 10, 12, 18	4000	Roskilde
14			20, Prøvestensvej	3000	Helsingør
15			27, Immerkær	2650	Hvidovre
16			27A+B, Nørregade	4100	Ringsted
17			Mosedede Centret	2670	Greve
18			10, Dyssegårdsvej	4700	Næstved
19			2, L.C. Worsøesvej	6780	Holbæk
20			3, Banetorvet	3450	Lillerød
21			11, Ros Have	4000	Roskilde
22			13, Ros Have	4000	Roskilde
23			2 A-B, Engdahlsvej	7400	Herning
24			19A, Albuen	6000	Kolding
25	Stable Storage	Storage	7-13, Blegdammen	4700	Næstved
26	Pulse Hotel	Hotel	13, Algade	4000	Roskilde
27			Ballerup Idrætsby Hotel	2750	Ballerup
28	Pulse	Residential	29, Tåsingegade	2100	København
29			8-10, Hejrevej	2400	København

#	Strategy	Property Type	Address	ZIP	City
30	Park Street	Retail	Sjællandsgade 12,16,18	7100	Vejle
31	Park Street	Resi - Project	2, Selsmosevej	2630	Taastrup
32			39, Skibsegen	3070	Snekkersten
33	Park Street	Storage	78, Vordingborgvej	4700	Næstved
34			78-82, Vordingborgvej	4700	Næstved
35	Nordicom Office	Office	4, Kirsebærgården	3450	Lillerød
36	Nordicom Retail	Retail	102, Silkeborgvej	7400	Herning
37			13-19, Nørregade	4100	Ringsted
38	Nordicom Resi	Residential	33-35, Jernbanegade	6000	Kolding
39			3, Naverstræde	6000	Kolding
40			2, Søndergade		Struer
41			21, Nørregade	4700	Rinsted
42			Grønings Have		Havnestaden



PARK STREET

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