



# PATRIZIA

## **PMM Global II K/S**

Adelgade 15, 2., 1304 Copenhagen K

CVR no. 32 47 15 60

Annual report 2021/22

Approved at the Company's annual general meeting on 2 February 2023

Chairman:

.....  
Mads Peter Grønkjær

## Contents

<b>Statement by the Board of Directors</b>	<b>2</b>
<b>Independent auditor's report</b>	<b>3</b>
<b>Management's review</b>	<b>6</b>
<b>Financial statements 1 October 2021 - 30 September 2022</b>	<b>10</b>
Income statement	10
Balance sheet	11
Statement of changes in equity	13
Cash flow statement	14
Notes to the financial statements	15

## Statement by the Board of Directors

Today, the Management has discussed and approved the annual report of PMM Global II K/S for the financial year 1 October 2021 - 30 September 2022.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 September 2022 and of the results of the Company's operations and cash flows for the financial year 1 October 2021 - 30 September 2022.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 19 December 2022  
Management, Komplementarselskabet BMK 3 ApS:

.....  
Mads Rude

.....  
Mads Peter Grønkjær

## Independent auditor's report

To the limited partners of PMM Global II K/S

### Opinion

We have audited the financial statements of PMM Global II K/S for the financial year 1 October 2021 - 30 September 2022, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 September 2022 and of the results of the Company's operations as well as the cash flows for the financial year 1 October 2021 - 30 September 2022 in accordance with the Danish Financial Statements Act.

### 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 Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

### Management's responsibilities for the financial statements

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

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

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 the financial statements.

## Independent auditor's report

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

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

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

### Statement on the Management's review

Management is responsible for the Management's review.

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

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

### **Independent auditor's report**

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 19 December 2022  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

Thomas Hjortkjær Petersen  
State Authorised Public Accountant  
mne33748

Kaare K. Lendorf  
State Authorised Public Accountant  
mne33819

## Management's review

### Company details

Name	PMM Global II K/S
Address, Postal code, City	Adelgade 15, 2., 1304 Copenhagen K
CVR no.	32 47 15 60
Established	1 October 2009
Registered office	Copenhagen
Financial year	1 October 2021 - 30 September 2022
Telephone	+45 32 72 72 00
Management	Mads Rude Mads Peter Grønkjær
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

### Financial highlights

EUR'000	2021/22	2020/21	2019/20	2018/19	2017/18
<b>Key figures</b>					
Net operating income from properties	7	1,083	2,369	8,683	2,775
Operating profit/loss	-5,504	-2,031	-7,713	-4,276	-3,101
Net financials	2,204	744	-3,243	3,451	-1,670
Profit/loss before tax	-3,300	-1,287	-10,856	-840	-4,050
<b>Profit/loss for the year</b>	<b>-3,300</b>	<b>-1,287</b>	<b>-10,856</b>	<b>-840</b>	<b>-4,050</b>
Fixed assets	15,743	24,269	28,848	68,069	88,793
Non-fixed assets	15	0	0	2,635	233
<b>Total assets</b>	<b>15,758</b>	<b>24,269</b>	<b>28,848</b>	<b>70,704</b>	<b>89,026</b>
Investments by limited partners	20,731	25,921	28,568	32,249	172,728
<b>Equity</b>	<b>15,654</b>	<b>23,911</b>	<b>28,689</b>	<b>47,808</b>	<b>66,281</b>

Financial ratios are calculated in accordance with the Danish Finance Society's recommendations. For terms and definitions, please see the accounting policies.

## Management's review

### Business review

PMM Global II K/S' business concept is investment in and management of indirect investments in foreign property via international operating partners.

### Long-term return expectations

The Fund is projected to generate an attractive net internal rate of return (IRR) of around 10% over its lifetime.

### Recognition and measurement uncertainties

Investments in associates and property investments are measured at fair value. The measurement includes accounting estimates and is, therefore, subject to uncertainty.

### Uncertainty in the global markets driven by geopolitical risks

The financial year 2021/22 has been one of increasing uncertainty due to geopolitical issues around the world and not least in Europe with the Russian war against Ukraine. This has led to supply chain issues within raw materials, food products and energy. Coupled with very tight labour markets in both North America and Europe, we have seen inflation rising to highs of 8-10% and as a result, significantly increasing interest rates to combat inflation.

The inflation and rising interest rates have impacted real estate capital markets materially, leading to a significant drop in transaction volumes. In Asia, especially China and Hong Kong are still impacted by Covid-19, which has a dampening effect on growth. Also, some of the traditional strong cosmopolitan office markets, in especially the US, are seeing post-Covid-19 effects, where office usage levels are far from prior levels and office occupiers are reconsidering their space requirements. On top of this, ESG matters and the decarbonization demand play a greater and greater role for occupiers and hence requirements for upgrading of existing space.

All these external factors influence the pricing of real estate and reduced liquidity makes it more difficult for valuers to determine fair value. The increase in base interest rates, margin pressure and reduced leverage levels have also had or is expected to impact real estate valuations, which can only partly be off-set by rental inflation. That said, the consequences vary very much by sector, project type and location of the specific assets.

For the six remaining investments in PMM Global II K/S, we have therefore also seen quite some varying results. Especially, some of the investments holding assets in emerging markets have continued to face difficult market conditions.

We have stayed in close contact with our partners throughout the year to assess the consequences and the business plans have been adjusted to the environment where necessary.

### Financing

In the financial year, the investors in the Company have made capital injections (cash calls) of EUR 330 thousand. The investors have received exit distributions of EUR 12 thousand.

The limited partners' committed capital totaled EUR 200.4 million. Undrawn capital amounted to EUR 22.9 million. There is not assessed to be any risk in connection with payment of the undrawn commitment.

### Investments

The Fund originally had committed to fifteen different investments, but at the end of the financial year only six of the investments still holds underlying properties summing to a total 22.

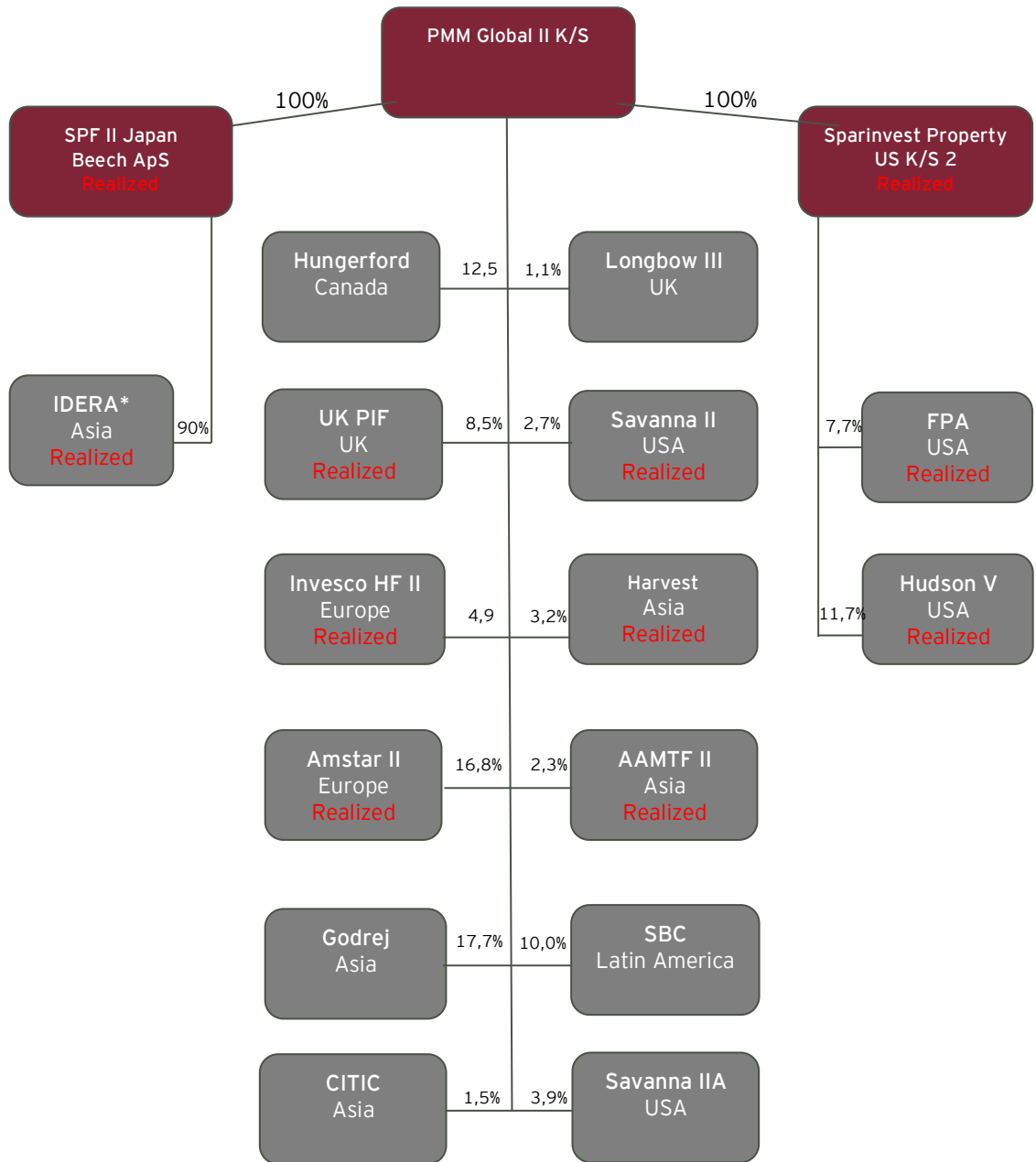
### Company

In the financial year 2021/22, the Company generated an operating profit of EUR -5,504 thousand. Profit after foreign exchange adjustments, financial income and financial expenses was EUR -3,300 thousand.



Management's review

Investments



Note: the above-mentioned percentages refer to PMM Global II K/S' ownership shares in each of the investments. The country / region specification refers to the location of the assets.

\*The company has, as consequence of the structure, characteristics and contractual agreement of the investment, no controlling influence on the investment.

## Management's review

### Financial risks and use of financial instruments

#### *Operating risks*

The Fund's most significant operating risks relate to property market developments and general economic risks. During the investment period, the Fund mitigated the risks by engaging in diversified investments in the European, American and Asian markets.

#### *Financial risks*

Apart from liabilities relating to operating activities and trading activities, the Fund has no debt, and investments are not leveraged. For each of the foreign property investments, no investments have been made in investments with leverage - the proportion between liabilities and assets - exceeding 70%. The expected leverage total for all property investments is not to exceed an average of 60% at the end of the investment period or when the last investment has been completed. The current leverage in the investments made in foreign property investments amounts to 42%. Accordingly, the financial risk is assessed as moderate.

#### *Foreign exchange risks*

The Fund makes investments in foreign property investments in foreign currency. No hedging of foreign currency risks on long-term investments is made. At their own discretion, the Fund's investors may decide to hedge the underlying risk on an investment.

#### *Knowledge resources*

The Fund makes investments based on an overall assessment of potential property investments using a systematised selection method involving external consultants, when necessary. When selecting specific assets, the personal knowledge and competencies of the partners are decisive. Consequently, the Fund has ensured strong alignment of the partners through financial incentives.

#### *Environmental matters*

The Fund's operations have no direct environmental impact regarding pollution.

#### *Research and development activities*

During the financial year, the Fund had no research and development activities, and none are expected in the coming financial year.

#### *Events after the balance sheet date*

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

#### *Outlook*

We expect the portfolio to generate a return of approximately -4% (before currency) in the coming financial year, although this is with a high degree of uncertainty within an expected range of +/- 5 percentage points given the current economic climate.

The Fund is projected to generate an attractive net internal rate of return (IRR) of around 10% over its lifetime.

## Financial statements 1 October 2021 - 30 September 2022

### Income statement

Note	EUR'000	2021/22	2020/21
	<b>Net operating income from properties</b>	7	1,083
	Fair value adjustment of foreign investment properties	-5,272	-2,826
	Administrative expenses	-239	-288
	<b>Gross profit</b>	-5,504	-2,031
4	Financial income	2,330	821
5	Financial expenses	-126	-77
	<b>Profit/loss for the year</b>	-3,300	-1,287

## Financial statements 1 October 2021 - 30 September 2022

### Balance sheet

Note	EUR'000	<u>2021/22</u>	<u>2020/21</u>
	<b>ASSETS</b>		
	<b>Fixed assets</b>		
6	<b>Investments</b>		
	Investments in foreign property investments	9,465	13,513
	Loan to associates and foreign property investments	<u>6,278</u>	<u>10,756</u>
		<u>15,743</u>	<u>24,269</u>
	<b>Total fixed assets</b>	<u>15,743</u>	<u>24,269</u>
	<b>Non-fixed assets</b>		
	<b>Cash</b>	<u>15</u>	<u>0</u>
	<b>Total non-fixed assets</b>	<u>15</u>	<u>0</u>
	<b>TOTAL ASSETS</b>	<u><u>15,758</u></u>	<u><u>24,269</u></u>

## Financial statements 1 October 2021 - 30 September 2022

### Balance sheet

Note	EUR'000	2021/22	2020/21
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
7	Investments by limited partners	20,731	25,921
	Retained earnings	-5,077	-2,010
	<b>Total equity</b>	<u>15,654</u>	<u>23,911</u>
	<b>Liabilities other than provisions</b>		
	<b>Current liabilities other than provisions</b>		
	Bank debt	0	341
8	Other payables	104	17
		<u>104</u>	<u>358</u>
	<b>Total liabilities other than provisions</b>	<u>104</u>	<u>358</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>15,758</u></u>	<u><u>24,269</u></u>

- 1 Accounting policies
- 2 Recognition and measurement uncertainties
- 3 Staff costs
- 9 Contractual obligations and contingencies, etc.
- 10 Related parties
- 11 Appropriation of profit/loss

## Financial statements 1 October 2021 - 30 September 2022

### Statement of changes in equity

Note	EUR'000	Investments by limited partners	Retained earnings	Total
	<b>Equity at 1 October 2021</b>	25,921	-2,010	23,911
	Equity called during the period	330	0	330
	Equity distributed during the period	-5,520	245	-5,275
11	Transfer, see "Appropriation of profit/loss"	0	-3,300	-3,300
	Dividend	0	-12	-12
	<b>Equity at 30 September 2022</b>	<b>20,731</b>	<b>-5,077</b>	<b>15,654</b>

At the balance sheet date, allocated carried interest amounted to approx. EUR 1,518 thousand. In case of liquidation of the Fund, the amount would be redistributed between A and B shares at the balance sheet date. Carried interest will only be relevant in case it is earned over the total lifetime of the Fund.

## Financial statements 1 October 2021 - 30 September 2022

### Cash flow statement

Note	EUR'000	2021/22	2020/21
	Profit/loss for the year	-3,300	-1,287
	Cash generated from operations (operating activities)	-3,300	-1,287
	Value adjustment of property investments and loans	5,336	2,826
	Unrealised exchange adjustments of property investments and loans	-2,208	-748
	Changes in debts	87	0
	<b>Cash flows from operating activities</b>	<b>-85</b>	<b>791</b>
	Acquisition of investments in property investments	-57	-136
	Disposal of investments in property investments	1,648	1,161
	Distribution from property investments and loans	3,807	1,478
	<b>Cash flows to investing activities</b>	<b>5,398</b>	<b>2,503</b>
	Investments by limited partners	330	0
	Exits to limited partners	-5,520	-2,647
	Dividend to limited partners	233	-843
	<b>Cash flows from financing activities</b>	<b>-4,957</b>	<b>-3,490</b>
	<b>Net cash flow</b>	<b>356</b>	<b>-196</b>
	Cash and cash equivalents at 1 October	-341	-145
	<b>Cash and cash equivalents at 30 September</b>	<b>15</b>	<b>-341</b>

## Financial statements 1 October 2021 - 30 September 2022

### Notes to the financial statements

#### 1 Accounting policies

The annual report of PMM Global II K/S has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities with the adjustments following the legal form and operating activities of the Fund.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Basis of recognition and measurement

All income in relation to the financial year is recognised in the income statement as earned. Negative value adjustments in respect of investments in foreign property investments are also recognised in the income statement.

Equally, costs incurred to generate the year's earnings are recognised in the income statement.

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

Liabilities are recognised in the balance sheet when an outflow of economic benefits from the Fund is probable and when the liability can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below. In recognising and measuring assets and liabilities, expected losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

#### Reporting currency

The financial statements are presented in euros (EUR), as the Company's most significant transactions are settled in EUR.

#### Foreign currency translation

EUR is used as the functional currency. Transactions denominated in other currencies than EUR are considered transactions denominated in foreign currencies.

On initial recognition, investments in property investments are translated to EUR at the exchange rates at the transaction date. Subsequent fair value adjustments of investments in property investments are recognised in the income statement at the same historical exchange rate to the effect that exchange rate adjustments do not affect the operating profit. Differences arising between the exchange rate at the balance sheet date and the historical exchange rate are recognised in the income statement as financial items. Financial items are specified in the note regarding financial income and expenses on investments in foreign property investments and other items.

Receivables, payables and other monetary items denominated in foreign currencies are translated to EUR at the exchange rate or forward price at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or the exchange rate in the latest annual report is recognised in the income statement as financial income or expenses.

Investments in foreign property investments are translated at the exchange rate at the balance sheet date.



## Financial statements 1 October 2021 - 30 September 2022

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Income statement

##### Net operating income from properties

In the income statement, net operating income received from properties translated at the weighted historical exchange rates at the transaction date is recognised as income.

##### Other operating income and operating expenses

In the income statement, fair value adjustment of properties and liabilities translated at the weighted historical exchange rates at the transaction date for cash calls are recognised as income.

Value adjustments due to changes in exchange rates are recognised as financial income or expenses.

##### Administrative expenses

Administrative expenses comprise expenses for management fee to PATRIZIA Global Partners A/S, transaction costs in connection with investments, remuneration to the general partner and audit fee.

The Fund has entered into a management agreement regarding the Fund's activities. A fixed management fee is paid.

##### Financial income and expenses

Financial income and expenses comprise foreign exchange adjustments of investments in foreign property investments, other realised and unrealised foreign exchange adjustments and interest.

##### Tax

PMM Global II K/S is not a separate entity subject to taxation. The tax liability in respect of the Fund's earnings is incumbent on the individual investors of the Fund. For this reason, no tax is calculated on the Fund's earnings, and withholding of foreign tax on dividends from property investments is charged directly to the Fund's investors.

## Financial statements 1 October 2021 - 30 September 2022

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Balance sheet

##### Investments

Investments in foreign property investments

On initial recognition, investments in property investments are determined at the exchange rates at the transaction date and are subsequently measured at fair value translated at the exchange rate at the balance sheet date. The fair value is determined by each fund based on the fair value of the underlying properties. Liabilities in investments in property investments are measured at fair value.

The fair value measurement is based on recognised valuation methods on the basis of unobservable market information (fair value hierarchy 3).

Investment commitments where cash calls have not been made at the balance sheet date are disclosed under contingent liabilities in the notes. Received dividends from property investments are deducted from the value of the investments.

##### Receivables

Receivables are recognised in the balance sheet at amortised cost, which is equivalent to nominal value less write-down for bad debt losses. Write-downs are made for bad debt losses based on an individual assessment of receivables.

Receivables from limited partners regarding cash calls receivable, etc. are recognised at nominal value.

##### Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

##### Equity

##### *Revaluation reserve*

Investments by limited partners are recognised when cash calls are made. Investment commitments where cash calls have not been made at the balance sheet date are disclosed in the notes.

The revaluation reserve is reduced by the depreciation charges relating to the revaluation.

##### Liabilities

Liabilities (current and non-current) are included when the Fund, as a consequence of an event occurring no later than on the balance sheet date, has a legal or constructive obligation, and an outflow of economic benefits from the Fund to settle the obligation is probable. Investment commitments where cash calls have not been made at the balance sheet date are disclosed in the notes.

Other liabilities are measured at net realisable value.

## Financial statements 1 October 2021 - 30 September 2022

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Cash flow statement

The cash flow statement shows the cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as cash and cash equivalents at the beginning of the year and at the end of the year.

##### Cash flows from operating activities

Cash flows from operating activities are calculated as profit/loss for the year adjusted for changes in working capital and non-cash operating items such as value adjustments. The working capital comprises fixed assets minus current liabilities - excluding items included in cash and cash equivalents.

##### Cash flows from investing activities

Cash flows from investing activities comprise cash flows from and to investments in property investments.

##### Cash flows from financing activities

Cash flows from financing activities comprise cash flows from and to the investors.

##### Financial ratios

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines.

#### 2 Recognition and measurement uncertainties

The determination of the carrying amount of property investments and liabilities requires judgements, estimates and assumptions concerning future events.

The estimates and assumptions made are based on fair value calculations from property investments, historical experiences and other factors assessed by Management to be reliable in the circumstances, but which by nature are associated with uncertainty and unpredictability.

The assumptions made may prove incomplete or inaccurate, and unexpected events or circumstances may arise. Furthermore, the Fund is subject to risks and uncertainties, which may lead to actual results differing from the estimates. Particular risks for PMM Global II K/S are mentioned in the Management's review.

Due to the current geopolitical situation with war in Ukraine, increasing inflation and, to combat this increasing inflation, higher interest rates, the market is highly illiquid. This results in increased uncertainty regarding the fair value measurement of property investments.

It may be necessary to change previously made estimates as a consequence of changes in the circumstances on which the previous estimates were based or due to new knowledge or subsequent events.

Estimates essential to the financial reporting may for example comprise determination of the value of the underlying investments in foreign property investments. Because of the measurement principles used, the calculation of fair value will be subject to uncertainty.

## Financial statements 1 October 2021 - 30 September 2022

### Notes to the financial statements

#### 3 Staff costs

The Partnership has no employees.

The Limited Partnership is managed by the general partner. Without limiting the responsibility of the general partner, the general partner have authorised PATRIZIA Global Partners A/S to conduct day-to-day operations. The general partner receives a fee of EUR 27 thousand for the general partner role.

EUR'000	2021/22	2020/21
<b>4 Financial income</b>		
Other financial income	2,330	821
	<u>2,330</u>	<u>821</u>
<b>5 Financial expenses</b>		
Other financial expenses	126	77
	<u>126</u>	<u>77</u>

#### 6 Investments

EUR'000	Investments in foreign property investments	Loan to associates and foreign property investments	Total
Cost at 1 October 2021	19,202	18,020	37,222
Additions	57	0	57
Disposals	-1,648	-3,807	-5,455
Cost at 30 September 2022	<u>17,611</u>	<u>14,213</u>	<u>31,824</u>
Value adjustments at 1 October 2021	-5,689	-7,264	-12,953
Foreign exchange adjustments	0	961	961
Value adjustments for the year	-2,457	-1,632	-4,089
Value adjustments at 30 September 2022	<u>-8,146</u>	<u>-7,935</u>	<u>-16,081</u>
<b>Carrying amount at 30 September 2022</b>	<u>9,465</u>	<u>6,278</u>	<u>15,743</u>

## Financial statements 1 October 2021 - 30 September 2022

### 6 Investments (continued)

Name	Domicile	Interest	Equity EUR '000	Profit/loss EUR '000
<b>Foreign property investments</b>				
Godrej Residential Partnership	Asia	17.7%	24,372	-8,223
SBC Latin America Housing Fund	Latin America	10.0%	5,919	-5,141
Hungerford Porperties Opportunities Fund	Canada	12.5%	16,484	8,949
Longbow UK Real Estate Debt Investments III	Europe	1.1%	37,991	-7,382
CITIC Capital China Retail Fund	Asia	1.5%	366,767	86,633
Savanna Real Estate Fund IIA	USA	3.9%	72,736	-21,028

On initial recognition, property investments are measured at cost translated at the exchange rates at the transaction date. Subsequently property investments are measured at fair value translated at the exchange rate at the balance sheet date. The fair value is determined based on the fair value of the net assets in the investment compromising underlying properties and related liabilities.

PMM Global II K/S' investments are not quoted on an active market. The investments will generally be classified as Level 3 in the fair value hierarchy. The valuation models applied for assets within the underlying investments will typically be based on (i) discounted cash flow analysis; (ii) direct capitalisation method; and/or (iii) comparable sales method. The investments reflect its real estate equity investments net of investment level financing. Increases or decreases in any of the assumptions in isolation would result in a lower or higher fair value measurement.

Since there is no liquid market for real estate or real estate related investments the market price for such investments may not be readily ascertainable. As a result, amounts ultimately realised by the investments may differ from the fair value presented and the difference could be material.

The review of the valuation process is performed by the management of PATRIZIA Global Partners A/S. PATRIZIA Global Partners A/S considers the valuation techniques and inputs used in valuing the investments as part of its due diligence prior to investing to ensure they are reasonable and appropriate.

PATRIZIA Global Partners A/S bases their ongoing review of the valuation process on the information reported from the real estate investments in their annual financial statements and quarterly reports. In PATRIZIA Global Partners A/S' review of the valuation process, the obtained reported information is compared to what is budgeted or expected by the management of PATRIZIA Global Partners A/S and, if the information is not in accordance with what is expected, the management engages in a dialog with the operating partners of the investments in order to clarify any irregularities. At least once every year, PATRIZIA Global Partners A/S ensures that an external valuation or satisfactory documentation for the fair market valuation of all the assets in the Fund is carried out.

The following table shows information about the by the real estate funds used unobservable inputs related to the fair value measurement at 30 September 2022 as per their quarterly reports:

Financial statements 1 October 2021 - 30 September 2022

Notes to the financial statements

6 Investments (continued)

At 30 September 2022						
Investment	Type	Asset class	Valuation techniques	Unobservable inputs	Weighted average	Vacancy
Godrej Residential Partnership	Real estate development	Residential	DCF	a) Discount rate b) Selling price per square feet	a) 12.5 - 15.0% b) INR 5.450/SqFt - 13,500/SqFt	1%
Longbow UK Real Estate Debt Investments II	Investment in Real estate equity	Loan	Principal and capitalised interest	N/A	N/A	N/A
CITIC Capital China Retail Fund	Investment in real estate equity	Retail	Market evidence	N/A	N/A	14%
Savanna Real Estate Fund IIA	Investment in Real estate equity	Office	DCF	a) Disc. Rate b) Cap. Rate c) Loan to value ratio d) Loan credit spread	a) 6.9% b) 5.7% c) 58.7% d) 3.0 - 7.0% (avg. 3.6%)	45%

Financial statements 1 October 2021 - 30 September 2022

Notes to the financial statements

6 Investments (continued)

At 30 September 2022

Investment	Type	Asset class	Valuation techniques	Unobservable inputs	Weighted average	Vacancy
SBC Latin America Housing Fund	Real estate development	Residential	Liquidatation Other (DCF)	a) Exit Agreement b) Lurin and Project Land Offer Price c) Other	a) USD 219,271 b) USD 5,415,891 c) USD 2,424,945	11.0%
Hungerford Properties Opportuni- ties Fund	Investment in real estate equity	Logistics/industrial	Direct capitalisation Discounted CF Comparison approach Cost	a) Cap. rate b) Disc. rate c) Comparable proper- ties d) Purchase price (within 12-months)	N/A	5.0%

## Financial statements 1 October 2021 - 30 September 2022

### Notes to the financial statements

#### 7 Investments by limited partners

The subscribed equity capital consists of 200.4 shares of EUR 1,000 each allocated to 199.7 A-shares and 0.7 B-shares.

The total subscribed equity capital amounts to EUR 200,400 thousand, the equity called at year end amounts to EUR 177,515 thousand and the commitment for additional investments amounts to EUR 22,885 thousand.

The subscribed capital has not changed since final closing.

#### Limited Partners Holding more than 5% of the subscribed capital:

PenSam Pension Forsikringsaktieselskab  
Lærernes Pension Forsikringsaktieselskab  
Pensionskassen for Sygeplejersker og Lægeseekretærer  
Pensionskassen for Socialrådgivere / -Pædagoger og Kontorpersonale  
Pensionskassen for Sundhedsfaglige

#### 8 Other payables

EUR'000	2021/22	2020/21
Accrued carried interest	87	0
Other accrued expenses	17	17
	<u>104</u>	<u>17</u>

#### 9 Contractual obligations and contingencies, etc.

EUR million Fund	Commitment (original)		Residual commitment	
	Currency	EUR	Currency	EUR
SBC LHF I	USD 15.0	11.9	USD 0.0	0.0
Godrej	INR 1,375.0	18.4	INR 546.8	6.9
Hungerford	CAD 15.0	10.7	CAD 0.9	0.7
Longbow III	GBP 6.9	8.4	GBP 0.0	0.0
CITIC	USD 10.0	8.6	USD 0.5	0.5
Savanna IIA	USD 5.0	4.0	USD 0.3	0.3
<b>Total Company</b>		<b>62.0</b>		<b>8.4</b>



## Financial statements 1 October 2021 - 30 September 2022

### Notes to the financial statements

#### 10 Related parties

PMM Global II K/S has the following related parties exercising control:

BMK 3 ApS, registration no. 32 46 89 26 is general partner in PMM Global II K/S. As general partner the company has the general management responsibility for PMM Global II K/S. However, a management agreement with a management company was entered when founding PMM Global II K/S, see below. As general partner BMK 3 ApS receives a fixed fee. Transactions have been made on an arm's length basis.

On behalf of BMK 3 ApS, PATRIZIA Global Partners A/S, registration no. 32 46 88 88 has entered into an agreement with PMM Global II K/S on management of PMM Global II K/S. As management company PATRIZIA Global Partners A/S receives a fee calculated as a percentage of obtained commitments to invest in foreign property funds. Transactions have been made on an arm's length basis. No other transactions between PMM Global II K/S and PATRIZIA Global Partners A/S have taken place.

#### Investor Board

The Fund's Investor Board does not receive any fees.

#### 11 Appropriation of profit/loss

EUR'000	<u>2021/22</u>	<u>2020/21</u>
<b>Recommended appropriation of profit/loss</b>	<u>-3,300</u>	<u>-1,287</u>
Retained earnings/accumulated loss	<u>-3,300</u>	<u>-1,287</u>

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"By my signature I confirm all dates and content in this document."

## Mads Peter Grønkjær

### Board of Directors

On behalf of: PMM Global II K/S

Serial number: b5fd5ead-bf32-4ffe-b36c-37d770d42959

IP: 188.180.xxx.xxx

2022-12-19 12:21:03 UTC



## Mads Rude

### Board of Directors

On behalf of: PMM Global II K/S

Serial number: b5c13838-7866-41d5-bc1f-31ffe2118646

IP: 194.53.xxx.xxx

2022-12-19 13:18:23 UTC



## Thomas Hjortkjær Petersen

### State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: 88470239-a9a6-49b5-95ab-0d41bd03fd33

IP: 80.199.xxx.xxx

2022-12-19 20:57:27 UTC



## Kaare Kristensen

### State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: CVR:30700228-RID:73827337

IP: 65.205.xxx.xxx

2022-12-20 12:04:20 UTC



## Mads Peter Grønkjær

### Chairman

On behalf of: PMM Global II K/S

Serial number: b5fd5ead-bf32-4ffe-b36c-37d770d42959

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