

Block P2 ApS

c/o Newsec PAM Denmark A/S
Lyngby Hovedgade 4,
2800 Kongens Lyngby

CVR No. 36960280

Annual Report 2021

7. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 22 July 2022

Steffen Freddie Lange
Chairman

Block P2 ApS

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Block P2 ApS

Management's Statement

Today, Management has considered and adopted the Annual Report of Block P2 ApS for the financial year 1 January 2021 - 31 December 2021.

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

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

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

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

Kongens Lyngby, 22 July 2022

Executive Board

Leif Fredrik Ingemar Söderlund

Holger Leonhard Zilleken

Independent Auditors' Report

To the shareholders of Block P2 ApS

Opinion

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

We have audited the Financial Statements of Block P2 ApS for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

Basis of opinion

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

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 during the audit, or otherwise appears to be materially misstated.

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

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

Independent Auditors' Report

The auditor's responsibility for the audit of the financial statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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 disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Hellerup, 22 July 2022

PRICEWATERHOUSECOOPERS STATS AUTORISERET

REVISIONSPARTNERSELSKAB

CVR-no. 33771231

Maj-Britt Nørskov Nannestad
State Authorised Public Accountant
mne32198

Christopher Kowalczyk
State Authorised Public Accountant
mne47863

Block P2 ApS

Company information

Company

Block P2 ApS
c/o Newsec PAM Denmark A/S
Lyngby Hovedgade 4,
2800 Kongens Lyngby
CVR No.: 36960280
Date of formation: 30 June 2015
Registered office: Lyngby-Tårnbæk

Executive Board

Leif Fredrik Ingemar Söderlund
Holger Leonhard Zilleken

Auditors

PRICEWATERHOUSECOOPERS STATS-AUTORISERET
REVISIONSPARTNERSELSKAB
Strandvejen 44
2900 Hellerup
CVR-no.: 33771231

Management's Review

The Company's principal activities

The Company's principal activities consist in being a holding company, invest in real estate, administration and management of real estate and other related activities.

Development in the activities and the financial situation of the Company

The Company's Income Statement of the financial year 1 January 2021 - 31 December 2021 shows a result of DKK 33.858.121 and the Balance Sheet at 31 December 2021 a balance sheet total of DKK 301.536.033 and an equity of DKK 93.234.366.

The company has this year been acquired by a new group. In connection with this, the loan has been refinanced.

Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

Block P2 ApS

Accounting Policies

Reporting Class

The annual report of Block P2 ApS for 2021 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B entities and elective choice of certain applying reporting class C entities.

Changed accounting policies, estimates and errors

Accounting policies have been changed as follows:

This year, the company has changed its accounting policies for the recognition of deposits and prepaid rent.

Previously, the Company has recognized deposits and prepaid rent as a short-term debt obligation, but has from this year chosen to recognize deposits and prepaid rent as long-term debt obligations.

The accounting policies have been changed, as the company's management believes that recognition as long-term liabilities gives a true and fair view of the company's debt obligations, as the company has the prospect of having the leases leased out.

The company has also changed its accounting policies for recognizing financial liabilities.

Previously, the Company has recognized financial instruments at fair value, but has from this year chosen to recognize financial instruments at amortized cost.

Accounting policies have been changed in connection with the company being acquired by a new group this year and the loan being refinanced in this connection. As the loans has been refinanced in 2021 the change has no effect on the equity 31 December 2021. The effects to 2021 profit and the comparatives are considered immaterial and therefore not corrected. If the change has been corrected the correction would have had the following effects:

Effect on equity prior to 2020	1.147.380
Effect on profit 2020	3.086.253
Effect on equity 2020	4.233.633
Effect on profit 2021	-4.233.633
Effect on equity 2021	0

As part of the change the comparatives regarding debt effects in profit has been restated to financial income and expenses.

Apart from the above mentioned areas, the accounting policies are consistent with those of the previous year.

Reporting currency

The annual report is presented in Danish kroner.

Translation policies

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the income statement under financial income and expenses.

Accounting Policies

General information

Basis of recognition and measurement

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

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

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

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the financial statement, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Income statement

Gross profit/loss

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit is a combination of the items of revenue and other external expenses.

Revenue

Revenue comprises rental income from the leases of properties. Revenue is recognised on an actual basis.

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

Other external expenses

Other external costs include costs for administration, property costs, loss of debtors etc.

Property costs include costs incurred in operating the company's property portfolio in fiscal year, including repair and maintenance costs, property taxes and electricity, water and heat that is not charged directly to the tenants.

Fair value adjustment of investment properties

Adjustments of investment properties measured at fair value are recognised as a separate item in the income statement.

Accounting Policies

Financial income and expenses

Financial income and expenses are recognised in the Income Statement based on the amounts that concern the financial year. Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the tax prepayment scheme.

Tax on net profit for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

Balance sheet

Investment property

Investment properties comprises investments in land and buildings for purposes of gaining a return on the invested capital in the form of regular operating income and/or capital gains on resale.

On acquisition, investment properties are measured at cost, comprising the purchase price, including purchase costs.

After the initial recognition, investment properties are measured at fair value. Value adjustments of investment properties are recognised in the income statement.

Fair value is the amount for which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction on the balance sheet date. The determination of fair value involves material accounting estimates.

An independent assessor firm has assessed the fair value of investment properties.

The fair value is determined based on transaction between two independent parties.

The estimates applied are based on the information and assumptions considered reasonable by Management but which are inherently uncertain and unpredictable. Actual events or circumstances will probably differ from the assumptions made in the calculations as often-assumed events do not occur as expected. Such difference may be material.

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Impairment of accounts receivables past due is established on individual assessment of receivables.

Accrued income, assets

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

Cash and cash equivalents

Cash comprises cash balances and bank balances.

Equity

Equity comprises the working capital and a number of equity items that may be statutory or stipulated in the articles of association.

Accounting Policies

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallize as current tax.

Corporation tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Liabilities

Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortized cost, corresponding to the capitalized value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the income statement over the life of the financial instrument.

Mortgage debt is accordingly measured at amortized cost, corresponding to the outstanding balance in case of cash loans. In case of bond loans, amortized cost corresponds to the outstanding balance determined as the underlying cash value of the loans at the time of borrowing adjusted for amortisation of capital losses on the loans over the repayment period.

Other liabilities are measured at net realisable value.

Other payables

Other payables are measured at amortized cost, which usually corresponds to the nominal value.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Income Statement

	Note	2021 kr.	2020 kr.
Gross profit		8.307.547	9.110.224
Fair value adjustment of investment property		28.850.000	12.900.000
Profit from ordinary operating activities		37.157.547	22.010.224
Other financial income from group enterprises		0	9.131
Other financial income	1	7.894.143	3.280
Financial expenses	2	-2.574.612	-6.703.146
Profit from ordinary activities before tax		42.477.078	15.319.489
Tax expense on ordinary activities	3	-8.618.957	-3.370.288
Profit		33.858.121	11.949.201
Proposed distribution of results			
Retained earnings		33.858.121	11.949.201
Distribution of profit		33.858.121	11.949.201

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Balance Sheet as of 31 December

	Note	2021 kr.	2020 kr.
Assets			
Investment property	4	291.250.000	262.400.000
Property, plant and equipment		291.250.000	262.400.000
Fixed assets			
		291.250.000	262.400.000
Short-term receivables from group enterprises		0	5.465.693
Short-term tax receivables		0	12.456
Other short-term receivables		885.275	1.862
Deferred income		113.614	17.043
Receivables		998.889	5.497.054
Cash and cash equivalents		9.287.144	2.322.789
Current assets		10.286.033	7.819.843
Assets		301.536.033	270.219.843

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Balance Sheet as of 31 December

	Note	2021 kr.	2020 kr.
Liabilities and equity			
Contributed capital		81.000	81.000
Retained earnings		93.153.366	70.795.245
Equity		93.234.366	70.876.245
Provisions for deferred tax	5	30.390.448	23.196.586
Provisions		30.390.448	23.196.586
Debt to banks		169.447.220	168.909.436
Deposits, liabilities other than provisions		4.295.931	0
Long-term liabilities other than provisions	6	173.743.151	168.909.436
Short-term part of long-term liabilities other than provisions		0	1.566.215
Trade payables		114.483	0
Payables to group enterprises		43.419	0
Tax payables		0	724.010
Tax payables to group enterprises		2.731.238	627.649
Other payables		531.577	4.311.181
Deferred income, liabilities		747.351	8.521
Short-term liabilities other than provisions		4.168.068	7.237.576
Liabilities other than provisions within the business		177.911.219	176.147.012
Liabilities and equity		301.536.033	270.219.843
Contingent liabilities	7		
Related parties	8		

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Statement of changes in Equity

	Contributed capital	Retained earnings	Extraordinary dividend recognised in equity	Total
Equity 1 January 2021	81.000	70.795.245	0	70.876.245
Dividend	0	-11.500.000	11.500.000	0
Profit (loss)	0	33.858.121	0	33.858.121
Extraordinary dividend paid	0	0	-11.500.000	-11.500.000
Equity 31 December 2021	81.000	93.153.366	0	93.234.366

Notes

	2021 kr.	2020 kr.
1. Other financial income		
Other financial income	7.894.143	3.280
	7.894.143	3.280
2. Financial expenses		
Interest bank	41.750	2.746.411
Other interest expenses	2.532.862	3.956.735
	2.574.612	6.703.146
3. Tax expense		
Current tax expense	1.109.443	1.157.114
Adjustments for deferred tax	7.509.514	2.213.189
Adjustments for current tax of prior period	0	-15
	8.618.957	3.370.288
4. Investment property		
Cost at the beginning of the year	155.118.506	155.118.506
Cost at the end of the year	155.118.506	155.118.506
Revaluations at the beginning of the year	107.281.494	94.381.494
Revaluations for the year	28.850.000	12.900.000
Revaluations at the end of the year	136.131.494	107.281.494
Carrying amount at the end of the year	291.250.000	262.400.000

Administrative expenses total 1,7% of rentals.

Maintenance costs total 1,7% of rentals.

Average vacancy on area total 1,84%.

Market value per sqm total 42.624 DKK.

Average rate of return 3,29%.

The valuation is based on an average rate of return of 3,29%. If valuation was based on 3,04% the value would be T.DKK. 315.201 and if based on 3,54% the value would be T.DKK 270.681. The earnings used for the valuation is the estimated rent and cost in a normalised basis.

Change in average rate of return	-0,25%	Base	0,25%
	T.DKK	T.DKK	T.DKK
Rate of return	3,04%	3,29%	3,54%
Fair value	315.201	291.250	270.681
Change in fair value	23.951	0	-20.569

Notes

	2021 kr.	2020 kr.
5. Provisions for deferred tax		
Deferred tax on revaluation	30.390.448	23.196.586
Balance at the end of the year	30.390.448	23.196.586

6. Long-term liabilities

	Due after 1 year kr.	Due within 1 year kr.	Due after 5 years kr.
Debt to banks	169.447.220	0	0
Deposits	4.295.931	0	4.295.931
	173.743.151	0	4.295.931

7. Contingent liabilities

The company is jointly taxed with DK Cornerstone Holdco ApS, CVR no 37 86 05 22, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends.

The Danish group enterprises have joined a accession agreement and all Danish group enterprises are jointly and severally liable for any and all Loans and for all other parts of the Secured Liabilities in the Danish group enterprises. The contingent liability is limited to the maximum equity of the individual companies. The Secured Liabilities is disclosed in the Annual Report for each Danish group enterprise.

8. Related parties

Related parties with controlling interest:
AXA Investment Managers Deutschland GmbH

The company is included in the consolidated financial statements of AXA Investment Managers Deutschland GmbH. The consolidated financial statements can be obtained upon request from the parent company.

Dette dokument er underskrevet af nedenstående parter, der med deres underskrift har bekræftet dokumentets indhold samt alle datoer i dokumentet.

This document is signed by the following parties with their signatures confirming the documents content and all dates in the document.

Holger Leonhard Zilleken

IP-adresse: 78.117.154.11, 147.161.166.174:21257

Tidspunkt for underskrift: 22-07-2022 kl.: 16:19:21

Underskrevet med esignatur EasySign



Leif Fredrik Ingemar Söderlund

IP-adresse: 78.2.76.64:2278

Tidspunkt for underskrift: 23-07-2022 kl.: 09:06:33

Underskrevet med esignatur EasySign



Steffen Freddie Lange

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Christopher Thor Kowalczyk

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Maj-Britt Nørskov Nannestad

RID: 94021295

Tidspunkt for underskrift: 23-07-2022 kl.: 17:17:57

Underskrevet med NemID

NEM ID

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