

Ejendomsselskabet PADK M1 ApS

c/o PATRIZIA Denmark A/S, Adelgade 15, 2.
1304 København K

CVR no. 39 12 46 61

**Annual report for the period 30 November – 31 December
2017**

The annual report was presented and approved at the
Company's annual general meeting on

28 May 2018

O. Gislén

chairman

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Ejendomsselskabet PADK M1 ApS for the financial period 30 November – 31 December 2017.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2017 and of the results of the Company's operations for the financial period 30 November – 31 December 2017.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.


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


Copenhagen, 28 May 2018
Executive Board:


David Hilmar Herbert Glira

Board of Directors:


Rikke Lykke
Chairman


David Hilmar Herbert Glira


Klaus Alois Schmitt



Independent auditor's report

To the shareholder of Ejendomsselskabet PADK M1 ApS

Opinion

We have audited the financial statements of Ejendomsselskabet PADK M1 ApS for the financial period 30 November – 31 December 2017 comprising income statement, balance sheet, statement of changes in equity 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 Company's assets, liabilities and financial position at 31 December 2017 and of the results of the Company's operations for the financial period 30 November – 31 December 2017 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 are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 that 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the company 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.



Independent auditor's report

- 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.

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.

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 Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 28 May 2018

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 26 57 81 98


Michael Tuborg
State Authorised
Public Accountant
MNE no. 24621

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Management's review

Company details

Ejendomsselskabet PADK M1 ApS
c/o PATRIZIA Denmark A/S, Adelgade 15, 2.
1304 København K

CVR no.:	39 12 46 61
Established:	30 November 2017
Registered office:	Copenhagen
Financial period:	30 November – 31 December

Board of Directors

Rikke Lykke, Chairman
David Hilmar Herbert Girra
Klaus Alois Schmitt

Executive Board

David Hilmar Herbert Girra

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 Copenhagen

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Management's review

Operating review

Principal activities

The objective of the Company is to invest in real estate property as well as other related activities through subsidiaries.

Development in activities and financial position

The Company's income statement for the year ended 31 December 2017 shows a loss of DKK 30 thousand, and the Company's balance sheet at 31 December 2017 shows equity of DKK 121,755 thousand.

The results for the year are considered to be in accordance with expectations.

Events after the balance sheet date

Short term mortgage loan has been refinanced by dividend from subsidiary. Reference is made to note 7.

No other events have occurred after the balance sheet date that materially affect the Company's financial position.



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Financial statements 30 November – 31 December

Income statement

DKK'000	Note	30 Nov – 31 Dec 2017
Gross loss		<u>-72</u>
Operating loss		-72
Financial expenses	2	<u>-307</u>
Loss before tax		-379
Tax on loss for the year		<u>349</u>
Loss for the year		<u><u>-30</u></u>
Proposed distribution of loss		
Retained earnings		<u>-30</u>
		<u><u>-30</u></u>

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Financial statements 30 November – 31 December

Balance sheet

DKK'000	Note	2017
ASSETS		
Fixed assets		
Investments	3	<u>302,763</u>
Investments in subsidiaries		<u>302,763</u>
		<u>302,763</u>
Total fixed assets		
Current assets		
Receivables		294,220
Receivables from group entities		<u>349</u>
Deferred tax asset		<u>294,669</u>
		8,649
Cash at bank and in hand		<u>303,218</u>
Total current assets		<u>605,981</u>
TOTAL ASSETS		<u><u>605,981</u></u>

Financial statements 30 November – 31 December

Balance sheet

DKK'000	Note	2017
EQUITY AND LIABILITIES		
Equity		
Contributed capital		51
Share premium		121,734
Retained earnings		<u>-30</u>
Total equity		<u>121,755</u>
Liabilities other than provisions		
Non-current liabilities other than provisions		
Shareholder loan	4	<u>130,276</u>
		<u>130,276</u>
Current liabilities other than provisions		
Mortgage loan		341,566
Other payables		<u>12,384</u>
		<u>353,950</u>
Total liabilities other than provisions		<u>484,226</u>
TOTAL EQUITY AND LIABILITIES		<u><u>605,981</u></u>
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Statement of changes in equity

	Contributed capital	Share premium	Retained earnings	Total
Equity at 30 November 2017	50	950	0	1,000
Cash capital increase	1	120,784	0	120,785
Transferred over the distribution of loss	0	0	-30	-30
Equity at 31 December 2017	51	121,734	-30	121,755

Financial statements 30 November – 31 December

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1 Accounting policies

The annual report of Ejendomsselskabet PADK M1 ApS for 2017 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in of specific provisions for reporting class C.

As this is the Company's first financial year, no comparative figures are included in the financial statements.

Income statement

Gross Profit

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Other external costs

Other external expenses comprise administration expenses, etc.

Financial expenses

Financial expenses include interest expenses, realised and unrealised exchange gains and losses on mortgage debt.

Tax on profit/loss for the year

Tax for the year comprises current tax for the year and the changes in deferred tax, and it is recognised in the income statement with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The Company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group entities. The Company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable of the income of the Danish consolidated companies is paid to the tax authorities by the Company.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

Balance sheet

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where the cost exceeds the net realisable value, write-down is made to this lower value.

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1 Accounting policies (continued)

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for bad debts are made.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future, either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement and in equity, respectively.

Cash and cash equivalents

Cash and cash equivalents comprise cash.

Liabilities other than provisions

Mortgage loans are recognised at cost at the date of borrowing, equivalent to proceeds received less transaction cost paid.

Subsequently, these financial liabilities are measured at amortised cost.

Other liabilities are measured at net realisable value.

2 Financial expenses

DKK'000

Interest expense to group entities

Other financial costs

30 Nov – 31
Dec. 2017

251

56

307

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2 Financial expenses

DKK'000	30 Nov – 31 Dec 2017
Interest expense to group entities	251
Other financial costs	56
	<u>307</u>

3 Investments

DKK'000	Investments in subsidiaries
Additions for the year	<u>302,763</u>
Cost at 31 December 2017	302,763
Carrying amount at 31 December 2017	<u>302,763</u>

4 Liabilities other than provisions

DKK'000	Total debt at 31/12 2017	Outstanding debt after five years
Shareholder loan	<u>130,276</u>	<u>130,276</u>
	<u>130,276</u>	<u>130,276</u>

5 Contingences, etc.

The Company is the administration company of the group of companies subject to the Danish scheme of joint taxation and is unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax, etc.

6 Related party disclosures

Ejendomselskabet PADK M1 ApS is included in the consolidated financial statements of PATRIZIA Wohnmodul I Zwischenholding S.à r.l., 2+4 Rue Beck, 1222 Luxembourg, where they can be obtained.

7 Disclosure of events after the balance sheet date

After the balance sheet date, short term mortgage loan has been refinanced by dividend from subsidiary.