

Ejendomsselskabet PADK M1 ApS

c/o Cobblestone A/S
Gammel Køge Landevej 57, 3., 2500 Valby

CVR no. 39 12 46 61

Annual report 2020

Approved at the Company's annual general meeting on 27 April 2021

Chairman: Kasper Hjort Midtgaard



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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Ejendomsselskabet PADK M1 ApS for the financial year 1 January - 31 December 2020.

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 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020.

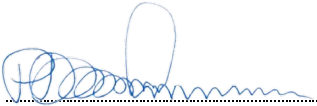
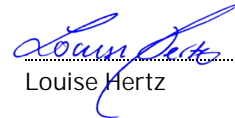
Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Copenhagen, 27 April 2021
Executive Board:


Louise Hertz

Board of Directors:


Peter Matzen Drachmann
Chairman
Khalid Said
Louise Hertz

Independent auditor's report

To the shareholders of Ejendomsselskabet PADK M1 ApS

Opinion

We have audited the financial statements of Ejendomsselskabet PADK M1 ApS for the financial year 1 January - 31 December 2020, which comprise 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 financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 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' 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.

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.

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.

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 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.

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, 27 April 2021
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Kaare K. Lendorf
State Authorised Public Accountant
mne33819

Management's review

Company details

Name	Ejendomsselskabet PADK M1 ApS
Address, Postal code, City	c/o Cobblestone A/S Gammel Køge Landevej 57, 3., 2500 Valby
CVR no.	39 12 46 61
Established	30 November 2017
Registered office	Copenhagen
Financial year	1 January - 31 December
Board of Directors	Peter Matzen Drachmann, Chairman Khalid Said Louise Hertz
Executive Board	Louise Hertz
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management commentary

Business review

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

Recognition and measurement uncertainties

As the company's purpose is to invest in companies which owns properties, the Company's business processes and the valuation of investment properties in the Company's subsidiaries is affected by changes in the property market, including the general level of interest rates and economic conditions.

As the COVID-19 pandemic is ongoing, uncertainties remain over its extent, duration and consequential economic and business impacts, and governments continue to assess and implement measures in response to the pandemic.

Within Denmark, we can see a high number of transactions in the market that demonstrate there is not a significant impact on interest in or allocation of capital to investment properties due to COVID-19. From these transactions and our assessment of the key judgements and estimates used in the property valuations, we do not note any significant valuation uncertainty relating to the investments in group entities.

Financial review

The income statement for 2020 shows a profit of DKK 406,963 against a profit of DKK 9,377,285 last year, and the balance sheet at 31 December 2020 shows equity of DKK 160,066,219.

Events after the balance sheet date

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

Financial statements 1 January - 31 December

Income statement

Note	DKK	2020	2019
	Other external expenses	-319,044	-82,292
	Gross profit	-319,044	-82,292
	Income from investments in group enterprises	9,587,846	17,988,863
3	Financial income	727,007	0
4	Financial expenses	-8,251,897	-7,132,546
	Profit before tax	1,743,912	10,774,025
5	Tax for the year	-1,336,949	-1,396,740
	Profit for the year	<u>406,963</u>	<u>9,377,285</u>
	Recommended appropriation of profit		
	Extraordinary dividend distributed in the year	0	5,000,000
	Retained earnings	<u>406,963</u>	<u>4,377,285</u>
		<u>406,963</u>	<u>9,377,285</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	<u>2020</u>	<u>2019</u>
	ASSETS		
	Fixed assets		
6	Investments		
	Investments in group enterprises	<u>298,367,358</u>	<u>294,146,422</u>
		<u>298,367,358</u>	<u>294,146,422</u>
	Total fixed assets	<u>298,367,358</u>	<u>294,146,422</u>
	Non-fixed assets		
	Receivables		
	Receivables from group enterprises	123,782	148,832
	Corporation tax receivable	472,121	0
	Joint taxation contribution receivable	434,010	14,735,018
	Other receivables	252,344	0
	Prepayments	<u>26,728</u>	<u>0</u>
		<u>1,308,985</u>	<u>14,883,850</u>
	Cash	<u>306,549</u>	<u>19,840,421</u>
	Total non-fixed assets	<u>1,615,534</u>	<u>34,724,271</u>
	TOTAL ASSETS	<u><u>299,982,892</u></u>	<u><u>328,870,693</u></u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2020	2019
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	51,000	51,000
	Share premium account	121,733,505	121,733,505
	Retained earnings	38,281,714	37,874,751
	Total equity	<u>160,066,219</u>	<u>159,659,256</u>
	Liabilities other than provisions		
7	Non-current liabilities other than provisions		
	Payables to group entities	130,205,638	130,741,098
		<u>130,205,638</u>	<u>130,741,098</u>
	Current liabilities other than provisions		
	Trade payables	152	4,759
	Payables to group enterprises	9,646,566	22,319,853
	Corporation tax payable	0	16,131,758
	Other payables	64,317	13,969
		<u>9,711,035</u>	<u>38,470,339</u>
	Total liabilities other than provisions	<u>139,916,673</u>	<u>169,211,437</u>
	TOTAL EQUITY AND LIABILITIES	<u>299,982,892</u>	<u>328,870,693</u>

- 1 Accounting policies
- 2 Staff costs
- 8 Contractual obligations and contingencies, etc.
- 9 Collateral
- 10 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	<u>Share capital</u>	<u>Share premium account</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2020	51,000	121,733,505	37,874,751	159,659,256
Transfer through appropriation of profit	0	0	406,963	406,963
Equity at 31 December 2020	<u>51,000</u>	<u>121,733,505</u>	<u>38,281,714</u>	<u>160,066,219</u>

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Ejendomsselskabet PADK M1 ApS for 2020 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

In accordance with section 110(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

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

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Profit from investments in subsidiaries

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

The item includes dividend received from subsidiaries.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Investments in subsidiaries

Investments in subsidiaries and associates are measured at cost, which includes the cost of acquisition calculated at fair value plus direct costs of acquisition. If there is evidence of impairment, an impairment test is conducted. Where the carrying amount exceeds the recoverable amount, a write-down is made to such lower value.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Cash

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

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; 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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Payables to credit institutions

Mortgage debt is recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, mortgage debt is measured at amortised cost, using the effective interest rate method. Borrowing costs, including capital losses, are recognised as financing costs in the income statement over the term of the loan.

Other payables

Other payables are measured at net realisable value.

2 Staff costs

The Company has no employees.

DKK	2020	2019
3 Financial income		
Exchange gain	649,792	0
Other financial income	77,215	0
	<u>727,007</u>	<u>0</u>

Financial statements 1 January - 31 December

Notes to the financial statements

DKK		2020	2019
4	Financial expenses		
	Interest expenses, group entities	7,268,149	6,954,188
	Other financial expenses	983,748	178,358
		<u>8,251,897</u>	<u>7,132,546</u>
5	Tax for the year		
	Estimated tax charge for the year	1,379,869	1,474,399
	Tax adjustments, prior years	-42,920	-77,659
		<u>1,336,949</u>	<u>1,396,740</u>
6	Investments		
			Investments in group enterprises
	DKK		
	Cost at 1 January 2020		303,734,268
	Additions		150,000
	Disposals		-5,516,910
	Cost at 31 December 2020		<u>298,367,358</u>
	Value adjustments at 1 January 2020		-9,587,846
	Reversal of prior year impairment losses		9,587,846
	Carrying amount at 31 December 2020		<u>298,367,358</u>

In connection with the impairment test of the investement held in Marmorbyen Øst P/S, the none recognised deferred tax of DKK 13,220,844 has been considered

Name	Interest	Equity DKK	Profit/loss DKK
Subsidiaries			
Marmorbyen Øst Komplementar ApS	100.00%	60,282	-85,053
Marmorbyen Øst P/S	100.00%	322,446,025	15,550,291

Financial statements 1 January - 31 December

Notes to the financial statements

7 Non-current liabilities other than provisions

Of the long-term liabilities, DKK 0 falls due for payment after more than 5 years after the balance sheet date.

8 Contractual obligations and contingencies, etc.

Other contingent liabilities

As management company, the Company is jointly taxed with other Danish group entities and is jointly and severally with other jointly taxed group entities for payment of income taxes for income year as well as withholding taxes on interest, royalties and dividends falling due for payment.

9 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2020.

10 Related parties

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the share capital:

<u>Name</u>	<u>Domicile</u>
PATRIZIA Wohnmodul I Zwischenholding S.à r.l.	2-4 Rue Beck, 1222 Luxembourg