

PADK B1 ApS

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

CVR no. 39 59 48 46

Annual report 2020

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

17 May 2021

Emil Skov
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 PADK B1 ApS for the financial year 1 January – 31 December 2020.

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 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, 17 May 2021
Executive Board:

Louise Hertz

Board of Directors:

Peter Matzen Drachmann
Chairman

Nathalie Marion-Denise
Winkelmann

Louise Hertz

Independent auditor's report

To the shareholders of PADK B1 ApS

Opinion

We have audited the financial statements of PADK B1 ApS for the financial year 1 January – 31 December 2020 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 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 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, 17 May 2021

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Michael Tuborg
State Authorised
Public Accountant
mne24621

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Management's review

Company details

PADK B1 ApS
c/o Cobblestone A/S
Gammel Køge Landevej 57, 3.
2500 Valby
Denmark

CVR no.:	39 59 48 46
Established:	25 May 2018
Registered office:	Copenhagen
Financial year:	1 January – 31 December

Board of Directors

Peter Matzen Drachmann, Chairman
Nathalie Marion-Denise Winkelmann
Louise Hertz

Executive Board

Louise Hertz

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 København Ø
Denmark

Annual general meeting

The annual general meeting will be held on 17 May 2021.

Management's review

Operating review

Principal activities

The objects of the Company are to serve as acquisition company for an alternative investment fund, including acquiring and possessing shares in subsidiary companies which buy and hold real estate and any business related hereto.

Development in activities and financial position

The Company's income statement for 2020 shows a loss of DKK -289 thousand against DKK -155 thousand in 2019. Equity in the Company's balance sheet at 31 December 2020 stood at DKK -462 thousand as against DKK -173 thousand at 31 December 2019.

The financial year was in accordance with Management's expectations.

Events after the balance sheet date

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

Going concern

The Company has lost all of its share capital.

In order to ensure the Company's continued operations, the Company has received a letter of support from PATRIZIA Augsburg Kapitalverwaltungsgesellschaft mbH ensuring sufficient liquidity to the Company to settle its obligation as they fall due at least until the date of the annual general meeting in 2022 when the annual report for the year ended 31 December 2021 will be approved. Furthermore a reference is made to note 2.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2020	2019
Other external costs		<u>-358</u>	<u>-180</u>
Gross loss		<u>-358</u>	<u>-180</u>
Loss before financial income and expenses		<u>-358</u>	<u>-180</u>
Other financial expenses		<u>-1</u>	<u>0</u>
Loss before tax		<u>-359</u>	<u>-180</u>
Tax on loss for the year		<u>70</u>	<u>25</u>
Loss for the year		<u><u>-289</u></u>	<u><u>-155</u></u>
Proposed distribution of loss			
Retained earnings		<u>-289</u>	<u>-155</u>
		<u><u>-289</u></u>	<u><u>-155</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2020	2019
ASSETS			
Fixed assets			
Investments			
Other receivables		8,677	7,202
Total fixed assets		8,677	7,202
Current assets			
Receivables			
Receivables from group entities		28	0
Corporation tax		67	25
Prepayments		27	0
		122	25
Cash at bank and in hand		57	30
Total current assets		179	55
TOTAL ASSETS		8,856	7,257
EQUITY AND LIABILITIES			
Equity			
Contributed capital		50	50
Retained earnings		-512	-223
Total equity		-462	-173
Liabilities			
Current liabilities			
Trade payables		69	54
Payables to group entities		9,222	7,332
Other payables		27	44
		9,318	7,430
Total liabilities		9,318	7,430
TOTAL EQUITY AND LIABILITIES		8,856	7,257
Disclosure of material uncertainties regarding going concern	2		
Average number of employees	3		
Contractual obligations, contingencies, etc.	4		
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Statement of changes in equity

DKK'000	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2020	50	-223	-173
Transferred over the distribution of loss	<u>0</u>	<u>-289</u>	<u>-289</u>
Equity at 31 December 2020	<u><u>50</u></u>	<u><u>-512</u></u>	<u><u>-462</u></u>

Financial statements 1 January – 31 December

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1 Accounting policies

The annual report of PADK B1 ApS for 2020 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

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

Income statement

Other external costs

Other external costs comprise cost related to administration.

Financial expenses

Financial expenses comprise interest expenses and bank fees.

Tax on 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 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

Investments classified as other receivables comprise acquisition costs related to the acquisition of shares in Biblioteksparken A/S. Reference is made to note 4 "Contractual obligations".

Other receivables are measured at cost. In case of indication of impairment, an impairment test is conducted. When the cost exceeds the recoverable amount, write-down is made to lower value.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable

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1 Accounting policies (continued)

has been impaired, a write-down is made.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Cash at bank and in hand

Cash and cash equivalents comprise cash at bank.

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 based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

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. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with 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. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at net realisable value.

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2 Material uncertainties regarding going concern

The Company has lost all of its share capital.

In order to ensure the Company's continued operations, the Company has received a letter of support from PATRIZIA Augsburg Kapitalverwaltungsgesellschaft mbH ensuring sufficient liquidity to the Company to settle its obligation as they fall due at least until the annual general meeting in 2022 when the annual report for the year ended 31 December 2021 will be approved.

DKK'000	2020	2019
3 Average number of employees		
Average number of full-time employees	<u>0</u>	<u>0</u>

4 Contractual obligations, contingencies, etc.

Contractual obligations

In 2018, the Company has entered into a purchase agreement to acquire the shares in Biblioteksparken A/S. Biblioteksparken A/S is the registered owner of title no. 476, Århus Bygrunde, situated Møllegade 1, Møllegade 5 and Vestergade 55, 8000 Aarhus C. The Biblioteksparken A/S has entered into a turnkey contract obligating the turnkey contractor to perform the construction of 85 flats for residential purpose, 105 flats for hotel/hostel, 60 underground parking spaces and 12 additional parking spaces above ground as the common development of the property in general to be delivered to Biblioteksparken A/S as a turnkey project. The Company will takeover the shares upon completion of the development project from the sellers when the sellers have concluded the construction hereof, expectedly in 2021.

The sellers of Biblioteksparken A/S are upon request entitled to a deposit of DKK 50 mio. as security for the Company's fulfilment of its obligations under the Purchase Agreement.

The Company is subject to the Danish scheme of joint taxation an unlimited jointly and severally liable with the other taxed companies for the total corporate tax.

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5 Related party disclosures

Control

PADK B1 ApS is part of the consolidated financial statements of PATRIZIA Augsburg Kapitalverwaltungsgesellschaft mbH, Fuggerstrasse 26, 86150 Augsburg, Germany, which is the smallest group in which the Company is included as a subsidiary.

The consolidated financial statements of PATRIZIA Augsburg Kapitalverwaltungsgesellschaft mbH can be obtained by contacting the Company at the address above.