

PADK B1 ApS

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

CVR no. 39 59 48 46

Annual report 2021

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

27 June 2022

Emil Skov

Chairman of the annual general meeting

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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 2021.

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 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

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 June 2022
Executive Board:

Louise Hertz

Board of Directors:

Peter Matzen Drachmann
Chairman

Louise Hertz

Nathalie Marion-Denise
Winkelmann

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 2021 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 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.

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' 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.

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, 27 June 2022

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Henrik Y. Jensen
State Authorised
Public Accountant
mne35442

PADK B1 ApS
Annual report 2021
CVR no. 39 59 48 46

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:	København
Financial year:	1 January – 31 December

Board of Directors

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

Executive Board

Louise Hertz

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 København Ø
CVR no. 25 57 81 98

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 2021 shows a loss of DKK -11,523 thousand as against DKK -289 thousand in 2020. The result for the year is significantly impacted by the impairment of share of DKK 12,364 thousands. The impairment is related to the fair value adjustment of investment properties in equity investments in group entities. Equity in the Company's balance sheet at 31 December 2021 stood at DKK 65,410 thousand as against DKK -462 thousand at 31 December 2020.

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

Events after the balance sheet date

The Company has received a debt conversion of DKK 9,211 thousand from payable to group entities to equity on the 4 April 2022. No other events have occurred after the balance sheet date that materially affect the Company's financial position.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2021	2020
Other external costs		<u>-503</u>	<u>-358</u>
Gross loss		<u>-503</u>	<u>-358</u>
Loss before financial income and expenses		-503	-358
Impairment of equity investment in group entities		-11,031	0
Other financial expenses		<u>-158</u>	<u>-1</u>
Loss before tax		-11,692	-359
Tax on loss for the year	3	<u>169</u>	<u>70</u>
Loss for the year		<u><u>-11,523</u></u>	<u><u>-289</u></u>
Proposed distribution of loss			
Retained earnings		<u>-11,523</u>	<u>-289</u>
		<u><u>-11,523</u></u>	<u><u>-289</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2021	31/12 2020
ASSETS			
Fixed assets			
Investments			
	4		
Equity investments in group entities		75,580	0
Other receivables		0	8,677
		<u>75,580</u>	<u>8,677</u>
Total fixed assets		<u>75,580</u>	<u>8,677</u>
Current assets			
Receivables			
Receivables from group entities		67	28
Other receivables		1,267	0
Deferred tax asset		169	67
Prepayments		193	27
		<u>1,696</u>	<u>122</u>
Cash at bank and in hand		<u>178</u>	<u>57</u>
Total current assets		<u>1,874</u>	<u>179</u>
TOTAL ASSETS		<u><u>77,454</u></u>	<u><u>8,856</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	<u>31/12 2021</u>	<u>31/12 2020</u>
EQUITY AND LIABILITIES			
Equity			
Contributed capital		50	50
Retained earnings		<u>65,360</u>	<u>-512</u>
Total equity		<u>65,410</u>	<u>-462</u>
Liabilities			
Current liabilities			
Trade payables		268	69
Payables to group entities		11,683	9,222
Other payables		<u>93</u>	<u>27</u>
		<u>12,044</u>	<u>9,318</u>
Total liabilities		<u>12,044</u>	<u>9,318</u>
TOTAL EQUITY AND LIABILITIES		<u><u>77,454</u></u>	<u><u>8,856</u></u>

Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Total
Equity at 1 January 2021	50	-512	-462
Transferred over the distribution of loss	0	-11,523	-11,523
Contribution from group	0	77,395	77,395
Equity at 31 December 2021	50	65,360	65,410

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of PADK B1 ApS for 2021 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.

Omission of consolidated financial statements

Pursuant to section 110(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Income statement

Other external costs

Other external costs comprise cost related to administration.

Financial income and expenses

Financial income and expenses comprise interest income and expenses and bank fees.

Dividends from equity investments in group entities measured at cost are recognized as income in the Parent Company's income statement in the financial year when the dividends are declared. To the extent that the dividends exceed the accumulated earnings after the acquisition date, the dividends are recognized as a reduction of the cost of the equity investment.

In case of indication of impairment test is conducted. Indication of impairment exists if distributed dividends exceed profit for the year or if the carrying amount of equity investments exceeds the consolidated carrying amounts of the net assets in the subsidiary.

Tax on loss for the year

The Parent Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Parent Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Balance sheet

Investments

Equity investments in group entities 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 this lower value.

Other receivables are recognised at amortised cost.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast 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.

Prepayments

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

Cash at bank and in hand

Cash at bank and in hand comprise cash and bank deposits.

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.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

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 amortised cost.

Financial statements 1 January – 31 December

Notes

DKK'000	2021	2020	
2 Average number of full-time employees			
Average number of full-time employees	0	0	
3 Tax on loss for the year			
Deferred tax for the year	-169	-70	
	-169	-70	
4 Investments			
DKK'000	Equity investments in group entities	Other receivables	Total
Cost at 1 January 2021	0	8,677	8,677
Additions for the year	143,838	0	143,838
Disposals for the year	0	-8,677	-8,677
Adjustment of cost price - received dividend	-57,227	0	-57,227
Cost at 31 December 2021	86,611	0	86,611
Impairment losses for the year	-12,364	0	-12,364
Revaluations 31 December 2021	-12,364	0	-12,364
Carrying amount at 31 December 2021	74,247	0	74,247

A bank guarantee of DKK 61,407 thousand have been provided by the seller of the shares in Bibliotekspæken A/S related to potential subsequent adjustment of the share cost price.

5 Contractual obligations, contingencies, etc.

Contractual obligations

The Group's Danish entities are jointly and severally liable for tax on the Group's jointly taxed income and for certain withholding taxes such as dividend tax and royalty tax. The Group as a whole is not liable to any other parties.

Financial statements 1 January – 31 December

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6 Related party disclosures

PADK B1 ApS' related parties comprise the following:

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.