

PATRIZIA Fund Management A/S
Under frivillig likvidation
Central Business Registration No 25671546
c/o PATRIZIA Denmark A/S
Adelgade 15, 2.
1304 København K

Annual report
01.01.2017 - 31.12.2017

The Annual General Meeting adopted the annual report on the 31th of May 2018

Liquidator of the General Meeting


Name: Jeppe Buskov

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Entity details

Entity

PATRIZIA Fund Management A/S under frivillig likvidation
c/o PATRIZIA Denmark A/S
Adelgade 15, 2.
1304 København K

Central Business Registration No.: 25671546

Founded: 17.12.2013

Registered in: Copenhagen

Financial year: 01.01.2017-31.12.2017

Liquidator

Jeppé Buskov
Kromann Reumert A/S
Sundkrogsgade 5
2100 København Ø

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 København S

Statement by Liquidator on the annual report

Liquidator has today considered and approved the annual report of PATRIZIA Fund Management A/S under frivillig likvidation for the financial period 01.01.2017 - 31.12.2017.

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 Entity's financial position at 31. December 2017 and of the result of its operations for the financial year 01. January 2017 - 31. December 2017.

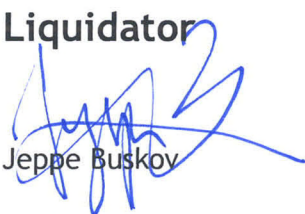
We believe that the management commentary contains a fair review of the development in the Entity's operations and financial position, as well as a description of the principal risks and uncertainties that may affect the Entity.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 31th of May 2017

Liquidator

Jeppe Buskov



Independent auditors report

To the shareholders of PATRIZIA FUND MANAGEMENT A/S under frivillig likvidation

Opinion

We have audited the financial statements of PATRIZIA FUND MANAGEMENT A/S under frivillig likvidation for the financial year 01.01.2017 - 31.12.2017, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter regarding circumstances in the financial statements

We point out that the Company has entered into liquidation. Consequently, the annual report are not prepared on the assumption that the Company is a going concern. Our audit opinion has not been modified in respect of this circumstance.

Liquidator's responsibilities for the financial statements

Liquidator 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 Liquidator 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, Liquidator is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Liquidator either intends to liquidate the Entity 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 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 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.
- 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Liquidator.
- Conclude on the appropriateness of Liquidator'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 Liquidator commentary

Liquidator is responsible for the Liquidator commentary.

Our opinion on the financial statements does not cover the Liquidator commentary, 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 Liquidator commentary and, in doing so, consider whether the Liquidator commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Liquidator commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Liquidator commentary 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 Liquidator commentary.

Copenhagen, 31th of May 2018

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556



René Herman Christensen
State Authorised Public Accountant
Identification No (MNE) mne19735

Liquidator commentary

Primary activities

The primary activity of the company is to provide fund management services within the real estate industry.

Development in activities and finances

The result for the period shows a gain of DKK 12.963. The Liquidator considers the result as satisfactory.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Outlook

The company will be final liquidated in 2018.

Income statement for 1. january - 31. december 2017

	Note	2017 DKK	2016 TDKK
Fee and commission income	4	170.000	1.963
Staff and administration costs	5	-194.056	-1.247
Other operational costs		-70.249	-619
Profit before interest and tax		-94.305	97
Financial income		125.919	29
Financial costs		-2.892	-52
Value adjustments		-3	0
Profit before tax		28.719	74
Tax on profit for the year	6	-15.756	-17
Profit for the year		12.963	57
Proposed distribution of profit/loss			
Retained earnings		12.963	57
		12.963	57

Balance sheet

	Note	2017 DKK	2016 TDKK
Intercompany balance		2.654.641	2.029
Other receivables		0	32
Receivables		<u>2.654.641</u>	<u>2.061</u>
Cash		<u>180.780</u>	<u>1.252</u>
Assets		<u>2.835.421</u>	<u>3.313</u>
Contributed capital		1.046.000	1.046
Other reserves		954.000	954
Retained earnings		740.357	727
Equity		<u>2.740.357</u>	<u>2.727</u>
Income tax payable		32.485	17
Other Liabilities		62.579	569
Liabilities		<u>95.064</u>	<u>586</u>
Equity & Liabilities		<u>2.835.421</u>	<u>3.313</u>
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Statement of changes in equity

	Contributed capital DKK	Other reserves DKK	Retained earnings DKK	DKK
Equity beginning of year	1.046.000	954.000	727.394	2.727.394
Profit/loss of the year	<u>0</u>	<u>0</u>	<u>12.963</u>	<u>12.963</u>
Equity end of year	<u>1.046.000</u>	<u>954.000</u>	<u>740.357</u>	<u>2.740.357</u>

The capital comprises 10.460 shares of DKK 100 each.

The shares are not divided into share classes.

1. Unusual circumstances

The company has returned its AIFM licence in 2017 and has consequently surrendered to ÅRL instead of following the AIFM rules.

2. Going concern

The financial statements are not prepared under going concern assumptions, as recognition, measurement, classification and presentation of assets and liabilities have been adjusted to reflect the decision to liquidate the company.

3. Five-year summary

Financial highlights - TDKK	2017	2016
Administration costs	68	225
Staff costs	127	1.022
Profit before interest and tax	-94	65
Profit for the year	22	58
Equity	2.750	2.727
Assets	2.835	3.313
Ratios		
Solvency ratio (%)	97,0%	82,3%
Return on equity before tax (%)	1,0%	2,8%
Return on equity after tax (%)	0,8%	2,1%
Average number of employees	0	1
Number of funds under administration	0	1

4. Fee and commission income

	2017 DKK	2016 TDKK
Foreningen european retail	95.000	1.863
Britannia Invest A/S	75.000	100
Total Fee and commission income	170.000	1.963

5. Staff and administration costs

	2017 DKK	2016 TDKK
Staff costs	126.555	1.022
Costs related to management of alternative investment funds	0	-120
Other administration costs	67.501	345
Total staff and administration costs	194.056	1.247
Salaries	98.960	921
Pensions	26.843	95
Social security etc.	751	5
Total staff costs	126.555	1.021
Average number of employees	0,32	1,36
Remuneration for Executive Board	129.000	221
The remuneration for the Executive Board are fixed and no incentives are paid out.		
The Board of Directors does not receive any Remuneration.		
Audit fee		
Statutory audit of financial statements	30.000	30
Adjustment 2014+2015	0	-35
	30.000	-5

6. Tax on profit/loss from ordinary activities

	2017 DKK	2016 TDKK
Tax on profit/loss	15.756	17
Tax on profit for the year	<u>15.756</u>	<u>17</u>

7. Contingent assets and contingent liabilities

The company is part of a Danish joint taxation with PATRIZIA Nordics A/S as management Company. According to the Corporation Tax Act rules the company is therefore jointly reliable for income taxes etc.

8. Related parties with control

The company has registered the following shareholders with more than 5% of the share capitals voting rights or nominal value:

- PATRIZIA Nordics A/S, Copenhagen

All transactions with related parties are done at market level.

Annual transactions with related parties:

Name	Basis of the influence	Transaction type
PATRIZIA Nordics A/S	Parent Company, 100%	Staff and adm costs, 1.529.272 DKK

9. Group information

PATRIZIA Fund Management A/S is part of the consolidated annual report for the PATRIZIA Group.

The annual report for the PATRIZIA Group can be downloaded from:

<http://www.patrizia.ag/en/investor-relations/financial-reports/annual-reports/>

10. Accounting policies

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act, governing reporting class B, but recognition, measurement, classification and presentation of assets and liabilities have been adjusted to reflect the decision to liquidate the company.

Changes in accounting policies

The accounting policies applied to these financial statements have been changed from Executive Order on the General Rules concerning Annual Reports and Audit for Alternative Investment Fund Managers, including Executive Order on Financial Reports for Credit Institutions and Investment to the Danish Financial Statements Act. The changes does not affect assets, liabilities, financial position or income statement.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliable.

On initial recognition, assets and liabilities are measured to fair value. However tangible and intangible assets are measured at cost on initial recognition. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date or rate at the balance sheet date are recognised in the income statement as value adjustments.

Income statement

Fee and commission income

Financial income and -costs are recognised in the periods they refer to. Commissions and fees referring to services, which are provided over a period of time, will be accrued over the period.

Staff and administration costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc. for entity staff. Cost of services and benefits to employees are recognised as the employees perform the tasks that entitles them to the services and goods.

Other operational costs

Other operational cost includes costs that is secondary in relation to the entity's activities.

Income tax

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in the equity by the portion attributable to entries directly in the equity.

The current tax payable or receivable is recognised in the balance sheet stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

When calculating the tax of the year the current tax rates and tax regulations at the balance sheet date are used.

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities. Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

The entity is jointly taxed with all Danish companies in which the mother company exercises control. The tax of the year is divided between the jointly taxed Danish companies relative to their taxable income (full distribution with tax relief losses).

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities. Deferred tax assets, including the tax base of tax loss carry forwards, are recognised in the balance sheet at their estimated realizable value, either as a set-off against deferred tax liabilities, as net tax assets or as set-off against future taxable income. Each year on the balance sheet date it is assessed if the expected future taxable income will be sufficient to fully exploit the deferred tax asset.

Balance sheet

Cash

Cash comprises bank deposits.

Other receivables

Other receivables are on initial recognition measured at cost and are hereafter measured at amortised costs.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Equity

Dividends are recognized as a liability at the time of approval on the annual shareholder meeting. The suggested dividend is shown as a separate line under equity.

Financial highlights

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2010" issued by the Danish Society of Financial Analysts.

Ratios		Calculation formula	Ratios reflect
Return on equity (%)	=	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The enterprise's return on capital invested in the enterprise by the owners.
Solvency ratio (%)	=	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The enterprise's financial strength.