

# **PATRIZIA Denmark A/S**

**Adelgade 15, 2.  
1304 København**

**CVR no. 34 47 68 45**

## **Annual report for 2018**

Adopted at the annual general meeting on

21 May 2019



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Peter Helfrich  
chairman

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## **Company details**

### **The company**

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

CVR no.: 34 47 68 45

Reporting period: 1 January - 31 December 2018

Founded: 15. April 2012

Domicile: Copenhagen

### **Supervisory board**

Klaus Alois Schmitt, chairman  
Karim Bohn  
Wolfgang Peter Egger

### **Executive board**

Peter Emile Jacques Helfrich, director

### **Auditors**

Deloitte  
Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
2300 København S

## Statement by management on the annual report

The supervisory and executive boards have today discussed and approved the annual report of PATRIZIA Denmark A/S for the financial year 1 January - 31 December 2018.

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 company's financial position at 31 December 2018 and of the results of the company's operations for the financial year 1 January - 31 December 2018.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

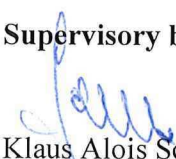
Copenhagen, 21 May 2019

**Executive board**



Peter Emile Jacques Helfrich  
director

**Supervisory board**



Klaus Alois Schmitt  
chairman



Karim Bohn



Wolfgang Peter Egger

## **Independent practitioner's report**

*To the shareholder of PATRIZIA Denmark A/S*

### **Conclusion**

We have performed an extended review of the financial statements of PATRIZIA Denmark A/S for the financial year 1 January – 31 December 2018 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 under the provisions of the Danish Financial Statements Act.

Based on the work performed, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31 December 2018 and of the results of the Entity's operations for the financial year 1 January – 31 December 2018 in accordance with the Danish Financial Statements Act.

### **Basis for conclusion**

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR - Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Practitioner's responsibilities for the extended review of the financial statements" section of this report. We are independent of the Entity 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 requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### **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 Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

## **Independent practitioner's report**

### **Practitioner's responsibilities for the extended review of the financial statements**

Our responsibility is to express a conclusion on the financial statements. This requires us to perform procedures in order to obtain limited assurance for our conclusion on these financial statements, and in addition perform specifically required supplementary procedures in order to obtain further assurance about our conclusion.

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Entity, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less in scope than those performed in an audit, and accordingly we do not express an audit opinion on the financial statements.

### **Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our extended review of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the extended review or otherwise appears to be materially misstated.

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

## Independent practitioner's report

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

Copenhagen, 21 May 2019

Deloitte  
Statsautoriseret Revisionspartnerselskab  
CVR no. 33 96 35 56



Lars Andersen  
State Authorised Public Accountant  
MNE no. mne27762

## **Management's commentary**

### **Business activities**

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

### **Business review**

The company's income statement for the year ended 31. December shows a profit of DKK 20.934.395, and the balance sheet at 31 December 2018 shows equity of DKK 44.254.750.

### **Significant events occurring after end of reporting period**

After the end of the financial year, the company received proceeds of DKK 2.8 million from solvent liquidation of the 100% owned subsidiary PATRIZIA FUND MANAGEMENT A / S.

No further events have occurred after the balance sheet date which could significantly affect the company's financial position.



## **Accounting policies**

The annual report of PATRIZIA Denmark A/S for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act for class B enterprises as well as selected provisions as regards larger entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2018 is presented in DKK.

### **Consolidated financial statements**

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

### **Basis of recognition and measurement**

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

## **Income statement**

### **Gross profit**

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue and other operating income less raw materials and consumables and other external expenses.

## **Accounting policies**

### **Revenue**

Income from the sale of services is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

### **Other external expenses**

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts etc.

### **Staff costs**

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

### **Amortisation, depreciation and impairment losses**

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

### **Financial income and expenses**

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions and surcharges and allowances under the advance-payment-of-tax scheme, etc.

### **Tax on profit/loss for the year**

The company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

The company acts as management company for all jointly taxed entities and, in its capacity as such, pays all income taxes to the Danish tax authorities.

On payment of joint taxation contributions, the current Danish income 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 been able to use tax losses to reduce their own taxable profits.

## Accounting policies

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

### Balance sheet

#### Tangible assets

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-13 years	0 %

#### Investments in subsidiaries and associates

Investment in subsidiaries and associates are measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value.

#### Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is tested for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

#### 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 is impaired, an impairment loss for that individual asset is recognised.

## **Accounting policies**

### **Prepayments**

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash.

### **Income tax and deferred tax**

As management company, PATRIZIA Denmark A/S is liable for payment of the subsidiaries' corporate income taxes to the tax authorities.

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

### **Liabilities**

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

### **Payments received from customers**

Payments received from customers income comprises payments received concerning income in subsequent reporting years.

### **Foreign currency translation**

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

## Income statement 1 January 2018 - 31 December 2018

	Note	2018 DKK	2017 DKK
<b>Gross profit</b>		<b>46.914.515</b>	<b>59.428.005</b>
Staff costs	1	<u>-22.271.037</u>	<u>-25.747.716</u>
<b>Earnings before interest, taxes, depreciation and amortization</b>		<b>24.643.478</b>	<b>33.680.289</b>
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		<u>-125.406</u>	<u>-149.837</u>
<b>Profit/loss before net financials</b>		<b>24.518.072</b>	<b>33.530.452</b>
Financial income	2	2.482.454	3.434.374
Financial costs	3	<u>-145.222</u>	<u>-207.399</u>
<b>Profit/loss before tax</b>		<b>26.855.304</b>	<b>36.757.427</b>
Tax on profit/loss for the year	4	<u>-5.920.909</u>	<u>-8.130.223</u>
<b>Profit/loss for the year</b>		<b><u>20.934.395</u></b>	<b><u>28.627.204</u></b>
<b>Recommended appropriation of profit/loss</b>			
Proposed dividend for the year		20.000.000	75.000.000
Retained earnings		<u>934.395</u>	<u>-46.372.796</u>
		<b><u>20.934.395</u></b>	<b><u>28.627.204</u></b>

**Balance sheet at 31 December 2018**

	<u>Note</u>	<u>2018</u>	<u>2017</u>
		DKK	DKK
<b>Assets</b>			
Other fixtures and fittings, tools and equipment		<u>984.463</u>	<u>1.105.669</u>
<b>Tangible assets</b>		<b><u>984.463</u></b>	<b><u>1.105.669</u></b>
Investments in subsidiaries		2.000.000	2.000.000
Deposits		<u>442.418</u>	<u>433.743</u>
<b>Fixed asset investments</b>		<b><u>2.442.418</u></b>	<b><u>2.433.743</u></b>
<b>Total non-current assets</b>		<b><u>3.426.881</u></b>	<b><u>3.539.412</u></b>
Trade receivables		6.446.522	5.703.228
Receivables from group enterprises		39.140.353	92.622.116
Other receivables		50.000	50.000
Prepayments		<u>318.705</u>	<u>424.469</u>
<b>Receivables</b>		<b><u>45.955.580</u></b>	<b><u>98.799.813</u></b>
<b>Cash at bank and in hand</b>		<b><u>8.954.903</u></b>	<b><u>15.734.963</u></b>
<b>Total current assets</b>		<b><u>54.910.483</u></b>	<b><u>114.534.776</u></b>
<b>Total assets</b>		<b><u>58.337.364</u></b>	<b><u>118.074.188</u></b>

**Balance sheet at 31 December 2018**

	Note	<u>2018</u> DKK	<u>2017</u> DKK
<b>Equity and liabilities</b>			
Share capital		510.000	510.000
Other reserves		69.420	69.420
Retained earnings		23.675.330	22.740.935
Proposed dividend for the year		<u>20.000.000</u>	<u>75.000.000</u>
<b>Equity</b>	5	<b><u>44.254.750</u></b>	<b><u>98.320.355</u></b>
Provision for deferred tax		<u>134.977</u>	<u>133.678</u>
<b>Total provisions</b>		<b><u>134.977</u></b>	<b><u>133.678</u></b>
Prepayments received from customers		3.615.710	3.980.728
Trade payables		311.530	232.176
Corporation tax		52.381	3.459.968
Other payables		<u>9.968.016</u>	<u>11.947.283</u>
<b>Total current liabilities</b>		<b><u>13.947.637</u></b>	<b><u>19.620.155</u></b>
<b>Total liabilities</b>		<b><u>13.947.637</u></b>	<b><u>19.620.155</u></b>
<b>Total equity and liabilities</b>		<b><u>58.337.364</u></b>	<b><u>118.074.188</u></b>
Rent and lease liabilities	6		
Contingencies, etc.	7		
Group relationships	8		

## Notes

	<u>2018</u> DKK	<u>2017</u> DKK
<b>1 Staff costs</b>		
Wages and salaries	20.273.705	23.523.324
Other social security costs	<u>1.997.332</u>	<u>2.224.392</u>
	<u><b>22.271.037</b></u>	<u><b>25.747.716</b></u>
 Average number of employees	<u>25</u>	<u>28</u>
 <b>2 Financial income</b>		
Interest received from group enterprises	2.425.691	3.384.986
Other financial income	<u>56.763</u>	<u>49.388</u>
	<u><b>2.482.454</b></u>	<u><b>3.434.374</b></u>
 <b>3 Financial costs</b>		
Other financial costs	<u>145.222</u>	<u>207.399</u>
	<u><b>145.222</b></u>	<u><b>207.399</b></u>
 <b>4 Tax on profit/loss for the year</b>		
Current tax for the year	5.922.017	8.152.529
Deferred tax for the year	1.299	-22.865
Adjustment of tax concerning previous years	<u>-2.407</u>	<u>559</u>
	<u><b>5.920.909</b></u>	<u><b>8.130.223</b></u>



## Notes

## 5 Equity

	Share capital	Other reserves	Retained earnings	Proposed dividend for the year	Total
Equity at 1 January 2018	510.000	69.420	22.740.935	75.000.000	98.320.355
Ordinary dividend paid	0	0	0	-75.000.000	-75.000.000
Net profit/loss for the year	0	0	934.395	20.000.000	20.934.395
<b>Equity at 31 December 2018</b>	<b><u>510.000</u></b>	<b><u>69.420</u></b>	<b><u>23.675.330</u></b>	<b><u>20.000.000</u></b>	<b><u>44.254.750</u></b>

## Notes

	<u>2018</u> DKK	<u>2017</u> DKK
<b>6 Rent and lease liabilities</b>		
Operating lease liabilities.		
Total future lease payments:		
Within 1 year	39.892	623.658
Between 1 and 5 years	<u>56.862</u>	<u>0</u>
	<u><b>96.754</b></u>	<u><b>623.658</b></u>

### 7 Contingencies, etc.

As management company, the company is jointly taxed with other danish related parties and jointly and severally liable with other jointly taxed entities for payment of income taxes for income year 2018 onwards as well as for payment of withholding taxes on dividends, interest and royalties which fall due for payment on or after 31 December 2018.

### 8 Group relationships

Name and registered office of the parent company preparing consolidated accounts for smallest group PATRIZIA Immobilien AG, Augsburg, Germany.