
PATRIZIA UNICORN ApS

C/O PATRIZIA DENMARK A/S, Adelgade 15, 2.,
DK-1304 Copenhagen

Annual Report for 1 January - 31 December 2016

CVR No 34 90 01 32

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
28/04 2017

Olga Ciesla
Chairman



pwc

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of PATRIZIA UNICORN ApS for the financial year 1 January - 31 December 2016.

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 at 31 December 2016 of the Company and of the results of the Company operations for 2016.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 28 April 2017

Direktion

David Hilmar Herbert Girra

Bestyrelse

Rikke Lykke
Chairman

David Hilmar Herbert Girra

Klaus Alois Schmitt

Independent Auditor's Report

To the Shareholders of PATRIZIA UNICORN ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of PATRIZIA UNICORN ApS for the financial year 1 January - 31 December 2016, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies ("the Financial Statements").

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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 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

Independent Auditor's Report

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 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.

Hellerup, 28 April 2017

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Erik Stener Jørgensen
State Authorised Public Accountant

René Otto Poulsen
State Authorised Public Accountant

Company Information

The Company

PATRIZIA UNICORN ApS
C/O PATRIZIA DENMARK A/S
Adelgade 15, 2.
DK-1304 Copenhagen

CVR No: 34 90 01 32
Financial period: 1 January - 31 December
Municipality of reg. office: Copenhagen

Board of Directors

Rikke Lykke, Chairman
David Hilmar Herbert Girra
Klaus Alois Schmitt

Executive Board

David Hilmar Herbert Girra

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Income Statement 1 January - 31 December

	Note	2016 DKK	2015 DKK
Revenue		32,664,601	37,033,339
Other operating income		68,309	44,278
Expenses concerning apartments		-13,070,819	-14,460,214
Other external expenses		-2,804,176	-2,297,670
Gross profit/loss before sales of apartments		16,857,915	20,319,733
Profit on sales of apartments and parking spaces	2	19,101,820	26,011,937
Gross profit/loss after profit on sales of apartments		35,959,735	46,331,670
Depreciation of property, plant and equipment		-2,123,980	-2,509,407
Profit/loss before financial income and expenses		33,835,755	43,822,263
Financial income	3	157,792	10,695
Financial expenses	4	-12,617,366	-18,316,117
Profit/loss before tax		21,376,181	25,516,841
Tax on profit/loss for the year	5	-4,844,888	-6,260,364
Net profit/loss for the year		16,531,293	19,256,477

Distribution of profit

Proposed distribution of profit

Retained earnings	16,531,293	19,256,477
	16,531,293	19,256,477

Balance Sheet 31 December

Assets

	Note	2016 DKK	2015 DKK
Land and buildings		515,050,473	564,707,134
Other fixtures and fittings, tools and equipment		113,368	138,550
Plant and equipment	6	515,163,841	564,845,684
Fixed assets		515,163,841	564,845,684
Trade receivables		14,635	94,997
Other receivables		3,954,835	5,477,900
Deferred tax asset		6,499,478	3,564,737
Corporation tax		5,034,723	6,545,457
Prepayments		4,177,132	0
Receivables		19,680,803	15,683,091
Cash at bank and in hand		42,185,072	80,767,389
Currents assets		61,865,875	96,450,480
Assets		577,029,716	661,296,164

Balance Sheet 31 December

Liabilities and equity

	Note	2016 DKK	2015 DKK
Share capital		1,000,000	1,000,000
Retained earnings		119,029,776	102,498,483
Equity	7	120,029,776	103,498,483
Mortgage loans		334,926,108	365,697,492
Payables to group enterprises		82,499,614	156,597,674
Deposits		8,042,536	8,738,601
Long-term debt	8	425,468,258	531,033,767
Prepayments received from customers		866,605	4,452,151
Trade payables		2,889,148	866,487
Payables to group enterprises	8	19,116,581	12,224,983
Other payables	8	2,930,321	2,974,111
Deferred income		5,729,027	6,246,182
Short-term debt		31,531,682	26,763,914
Debt		456,999,940	557,797,681
Liabilities and equity		577,029,716	661,296,164
Main activity	1		
Contingent assets, liabilities and other financial obligations	9		
Related parties	10		

Notes to the Financial Statements

1 Main activity

The company's main activity is to own and sell investment properties.

	<u>2016</u> DKK	<u>2015</u> DKK
2 Profit on sales of apartments and parking spaces		
Sale of apartments and parking spaces	19,101,820	26,011,937
	<u>19,101,820</u>	<u>26,011,937</u>

The financial line consists of profit on sold apartments. The purchased properties consist of single apartments, which are sold as the tenants move out of the apartments. The remaining apartments are expected to be sold within 5 years after the purchase of the properties.

3 Financial income

Other financial income	157,571	10,695
Exchange gains	<u>221</u>	<u>0</u>
	<u>157,792</u>	<u>10,695</u>

4 Financial expenses

Interest paid to group enterprises	4,556,016	9,017,133
Other financial expenses	8,019,486	9,187,061
Exchange adjustments, expenses	<u>41,864</u>	<u>111,923</u>
	<u>12,617,366</u>	<u>18,316,117</u>

5 Tax on profit/loss for the year

Current tax for the year incl. adjustments previous years etc.	7,779,629	9,389,413
Deferred tax for the year	<u>-2,934,741</u>	<u>-3,129,049</u>
	<u>4,844,888</u>	<u>6,260,364</u>

Notes to the Financial Statements

6 Plant and equipment

	Land and buildings	Other fixtures and fittings, tools and equipment	Total
	DKK	DKK	DKK
Cost at 1 January	569,088,499	206,183	569,294,682
Adjustment to cost price	-4,000,000	0	-4,000,000
Disposals for the year	-43,987,189	0	-43,987,189
Cost at 31 December	<u>521,101,310</u>	<u>206,183</u>	<u>521,307,493</u>
Depreciation at 1 January	4,381,366	67,633	4,448,999
Depreciation for the year	2,091,464	32,516	2,123,980
Reversal of depreciation of sold assets	-421,993	-7,334	-429,327
Depreciation at 31 December	<u>6,050,837</u>	<u>92,815</u>	<u>6,143,652</u>
Carrying amount at 31 December	<u>515,050,473</u>	<u>113,368</u>	<u>515,163,841</u>

7 Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	1,000,000	102,498,483	103,498,483
Net profit/loss for the year	0	16,531,293	16,531,293
Equity at 31 December	<u>1,000,000</u>	<u>119,029,776</u>	<u>120,029,776</u>

The share capital consists of 1,000,000 shares of a nominal value of DKK 1. No shares carry any special rights.

Notes to the Financial Statements

8 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	<u>2016</u> DKK	<u>2015</u> DKK
Mortgage loans		
Between 1 and 5 years	334,926,108	365,697,492
Long-term part	334,926,108	365,697,492
Within 1 year	0	0
	<u>334,926,108</u>	<u>365,697,492</u>
Payables to group enterprises		
Between 1 and 5 years	82,499,614	156,597,674
Long-term part	82,499,614	156,597,674
Other short-term debt to group enterprises	19,116,581	12,224,983
	<u>101,616,195</u>	<u>168,822,657</u>
Deposits		
After 5 years	8,042,536	8,738,601
Between 1 and 5 years	0	0
Long-term part	8,042,536	8,738,601
Other short-term payables	2,930,321	2,974,111
	<u>10,972,857</u>	<u>11,712,712</u>

Notes to the Financial Statements

9 Contingent assets, liabilities and other financial obligations

Contingent liabilities

As collateral for the company's mortgage debt of TDKK 334,926 has the company provided collateral in land and building with the carrying amount of TDKK 515,050 at 31 December 2016.

Jointly taxation

The Danish group enterprises are jointly and severally liable for tax on the jointly taxed income of the Group and for Danish taxes at source such as dividend tax, tax on royalty payments and withholding tax. The total payable corporation tax is disclosed in the Annual Report of PATRIZIA UNICORN ApS, which is the management company of the joint taxation.

10 Related parties

Ownership

The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

PATRIZIA Wohnmodul I Zwischenholding S.à r.l.
2-4 Rue Beck
1222 Luxembourg

Notes, Accounting Policies

Basis of Preparation

The Annual Report of PATRIZIA UNICORN ApS for 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

Financial Statements for 2016 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset 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 out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Profit on sales of apartments and parking spaces

Profit on sales of apartments and parking spaces are recognized as the difference between the price, which the unit has been sold for, and the purchase price plus selling expenses.

Notes, Accounting Policies

Revenue

Rental income is recognised on a straight line-basis over the term of the lease.

Expenses concerning apartments

Expenses concerning apartments primarily include operating expenses for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Depreciation and impairment losses

Depreciation and impairment losses comprise, depreciation and impairment of property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the core activities of the enterprise, including gains and losses on the sale 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.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance Sheet

Plant and equipment

Plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Notes, Accounting Policies

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Buildings	100 years
Other fixtures and fittings, tools and equipment	5 years

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 12,900 are expensed in the year of acquisition.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Notes, Accounting Policies

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debt to financial institutions and intercompany is initially measured at fair value of the consideration paid or received. Subsequently, debt to financial institutions is measured at amortized cost.

Borrowing costs incurred when contracting financial debts are recognised in “Financial expenses” in the income statement

Other payables comprising deposits, trade payables, group enterprises and other payables are measured at amortised cost that in all material respects corresponds to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.