

PATRIZIA Frederiksberggade ApS
Central Business Registration No
35212078
Adelgade 15, 2.
DK-1304 Copenhagen K

Annual report 2015

The Annual General Meeting adopted the annual report on 25.04.2016

Chairman of the General Meeting

Name: Jan-Willem Jensen

Contents

	<u>Page</u>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's reports	3
Accounting policies	4
Income statement for 2015	7
Balance sheet at 31.12.2015	8
Statement of changes in equity for 2015	10
Notes	11

Entity details

Entity

PATRIZIA Frederiksberggade ApS

Adelgade 15, 2.

DK-1304 Copenhagen K

Central Business Registration No: 35212078

Founded: 05.04.2013

Registered in: Copenhagen

Financial year: 01.01.2015 - 31.12.2015

Board of Directors

Sebastian Hubertus Lohmer, Chairman

Georg-Henrich Prinz zu Stolberg-Wernigerode

Jan-Willem Jensen

Andreas Helmuth Wissmeier

Rikke Lykke

Executive Board

Georg-Henrich Prinz zu Stolberg-Wernigerode

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

Postboks 1600

0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of PATRIZIA Frederiksberggade ApS for the financial year 01.01.2015 - 31.12.2015.

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 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015.

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

Copenhagen, 25.04.2016

Executive Board

Georg-Henrich Prinz zu Stol-
berg-Wernigerode

Board of Directors

Sebastian Hubertus Lohmer
Chairman

Georg-Henrich Prinz zu Stol-
berg-Wernigerode

Jan-Willem Jensen

Andreas Helmuth Wissmeier

Rikke Lykke

Independent auditor's reports

To the owner of PATRIZIA Frederiksberggade ApS

Report on the financial statements

We have audited the financial statements of PATRIZIA Frederiksberggade ApS for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

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 as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the financial statements.

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

Copenhagen, 25.04.2016

Deloitte

Statsautoriseret Revisionspartnerselskab

René Herman Christensen
State Authorised Public Accountant

CVR-nr. 33963556

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied for these financial statements are consistent with those applied last year.

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 a 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 reliably.

On initial recognition, assets and liabilities are measured at cost. 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 the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Accounting policies

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including administrative expenses etc. This item also includes write-downs of receivables recognised in current assets.

Amortisation, depreciation and impairment losses

Depreciation and impairment losses relating to property, plant and equipment comprise depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of property, plant and equipment.

Other financial income

Other financial income comprises interest income, including net capital gains on payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Financial expenses from group enterprises

Financial expenses from group enterprises comprise interest expenses etc from payables to group enterprises.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Income taxes

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 equity by the portion attributable to entries directly in equity.

Balance sheet

Investment properties

Investment properties are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, cost directly attributable to the acquisition and preparation costs of the asset until time when it is ready to be put into operation.

Accounting policies

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Investment properties	25-50 years
-----------------------	-------------

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. The proposed dividend for the financial year is disclosed as a separate item in equity.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

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.

Other provisions

Other provisions comprise anticipated costs for renewal and repair of heating systems in investment properties.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Other financial liabilities

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

Income tax receivable or payable

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.

Income statement for 2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Revenue		14.660.461	14.162.444
Other external expenses		<u>-2.897.448</u>	<u>-2.555.596</u>
Gross profit/loss		11.763.013	11.606.848
Depreciation, amortisation and impairment losses		<u>-2.484.612</u>	<u>-2.484.613</u>
Operating profit/loss		9.278.401	9.122.235
Other financial income		9.662	0
Financial expenses from group enterprises		-6.300.000	-6.300.000
Other financial expenses		<u>-25.054</u>	<u>0</u>
Profit/loss from ordinary activities before tax		2.963.009	2.822.235
Tax on profit/loss from ordinary activities	1	<u>-681.802</u>	<u>-620.892</u>
Profit/loss for the year		<u>2.281.207</u>	<u>2.201.343</u>
Proposed distribution of profit/loss			
Dividend for the financial year		2.281.207	2.541.293
Retained earnings		<u>0</u>	<u>-339.950</u>
		<u>2.281.207</u>	<u>2.201.343</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Investment property		236.127.900	238.612.512
Property, plant and equipment	2	<u>236.127.900</u>	<u>238.612.512</u>
Fixed assets		<u>236.127.900</u>	<u>238.612.512</u>
Cash		<u>14.461.082</u>	<u>16.712.747</u>
Current assets		<u>14.461.082</u>	<u>16.712.747</u>
Assets		<u><u>250.588.982</u></u>	<u><u>255.325.259</u></u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Contributed capital	3	135.763.471	138.248.084
Proposed dividend		2.281.207	2.541.293
Equity		<u>138.044.678</u>	<u>140.789.377</u>
Provisions for deferred tax		992.500	716.775
Other provisions		291.120	147.475
Provisions		<u>1.283.620</u>	<u>864.250</u>
Deposits		4.260.670	3.863.005
Payables to group enterprises		105.000.000	105.000.000
Non-current liabilities other than provisions	4	<u>109.260.670</u>	<u>108.863.005</u>
Current portion of long-term liabilities other than provisions	4	267.347	0
Trade payables		186.519	530.373
Payables to shareholders and management		0	1.751.916
Income tax payable		424.350	0
Other payables		1.121.798	2.526.338
Current liabilities other than provisions		<u>2.000.014</u>	<u>4.808.627</u>
Liabilities other than provisions		<u>111.260.684</u>	<u>113.671.632</u>
Equity and liabilities		<u>250.588.982</u>	<u>255.325.259</u>
Assets charged and collateral	5		
Related parties with control	6		
Main activity	7		

Statement of changes in equity for 2015

	Contributed capital DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	138.248.084	2.541.293	140.789.377
Decrease of capital	-2.484.613	0	-2.484.613
Ordinary dividend paid	0	-2.541.293	-2.541.293
Profit/loss for the year	0	2.281.207	2.281.207
Equity end of year	<u>135.763.471</u>	<u>2.281.207</u>	<u>138.044.678</u>

Notes

	2015 DKK	2014 DKK	
1. Tax on ordinary profit/loss for the year			
Current tax	406.077	0	
Change in deferred tax for the year	294.524	620.892	
Effect of changed tax rates	-18.799	0	
	681.802	620.892	
			Investment property DKK
2. Property, plant and equipment			
Cost beginning of year			242.849.041
Cost end of year			242.849.041
Depreciation and impairment losses beginning of the year			-4.236.529
Depreciation for the year			-2.484.612
Depreciation and impairment losses end of the year			-6.721.141
Carrying amount end of year			236.127.900
	2015 DKK	2014 DKK	2013 DKK
3. Contributed capital			
Changes in contributed capital			
Contributed capital beginning of year	138.248.084	140.000.000	0
Increase of capital	0	0	140.000.000
Decrease of capital	-2.484.613	-1.751.916	0
Contributed capital end of year	135.763.471	138.248.084	140.000.000

Notes

	Instalments within 12 months 2014 DKK	Instalments within 12 months 2015 DKK	Instalments beyond 12 months 2015 DKK	Outstanding after 5 years 2015 DKK
4. Long-term liabilities other than provisions				
Deposits	0	267.347	4.260.670	N/A
Payables to group enterprises	0	0	105.000.000	105.000.000
	0	267.347	109.260.670	105.000.000

Payables to PATRIZIA GewerbeInvest Kapitalverwaltungsgesellschaft mbH must be repaid no later than 2023. Repayments – in full or partially – prior to maturity are only allowed by way of capital increase of the share capital.

5. Assets charged and collateral

A mortgage registered to the mortgagor has been entered in the Land Register concerning the property of DKK 178,850 thousand nominal. The mortgage registered to the mortgagor is in the custody of the Company.

6. Related parties with control

PATRIZIA GewerbeInvest Kapitalverwaltungsgesellschaft mbH, Hamburg, Germany wholly owns the shares of the Entity and thus has control over the Entity.

7. Main activity

The Company owns and manages the property Frederiksberggade 24, 1459 Copenhagen (Denmark), and conducts activities associated therewith.