

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

Annual report 2016

The Annual General Meeting adopted the annual report on 24.05.2017

Chairman of the General Meeting

Name: Sebastian Hubertus Lohmer

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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: 01.01.2016 - 31.12.2016

Board of Directors

Sebastian Hubertus Lohmer, Chairman

Georg-Henrich Prinz zu Stolberg-Wernigerode

Jan-Willem Jensen

Rikke Lykke

Executive Board

Georg-Henrich Prinz zu Stolberg-Wernigerode

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 København S

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 01.01.2016 - 31.12.2016.

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 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

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

Copenhagen, 24.05.2017

Executive Board

Georg-Henrich Prinz zu
Stolberg-Wernigerode

Board of Directors

Sebastian Hubertus Lohmer

Chairman

Georg-Henrich Prinz zu
Stolberg-Wernigerode

Jan-Willem Jensen

Rikke Lykke

Independent auditor's report

To the shareholders of PATRIZIA Frederiksberggade ApS

Opinion

We have audited the financial statements of PATRIZIA Frederiksberggade ApS for the financial year 01.01.2016 - 31.12.2016, 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 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016 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.

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, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management 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:

Independent auditor's report

- 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 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 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 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 audit 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 audit 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 auditor'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, 24.05.2017

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

René Herman Christensen

State Authorised Public Accountant

Management commentary

Primary activities

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

Development in activities and finances

The result of the period shows a gain of DKK 1.698.032. The management 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.

Income statement for 2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Revenue		15.777.247	14.660.461
Other operating income		432.500	0
Other external expenses		<u>(5.219.767)</u>	<u>(2.897.448)</u>
Gross profit/loss		10.989.980	11.763.013
Depreciation, amortisation and impairment losses		<u>(2.484.613)</u>	<u>(2.484.612)</u>
Operating profit/loss		8.505.367	9.278.401
Other financial income		0	9.662
Financial expenses from group enterprises		(6.300.000)	(6.300.000)
Other financial expenses		<u>(33.273)</u>	<u>(25.054)</u>
Profit/loss before tax		2.172.094	2.963.009
Tax on profit/loss for the year	1	<u>(474.062)</u>	<u>(681.802)</u>
Profit/loss for the year		1.698.032	2.281.207
Proposed distribution of profit/loss			
Ordinary dividend for the financial year		<u>1.698.032</u>	<u>2.281.207</u>
		1.698.032	2.281.207

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Investment property		<u>233.643.287</u>	<u>236.127.900</u>
Property, plant and equipment	2	<u>233.643.287</u>	<u>236.127.900</u>
Fixed assets		<u>233.643.287</u>	<u>236.127.900</u>
Income tax receivable		<u>302.740</u>	<u>0</u>
Receivables		<u>302.740</u>	<u>0</u>
Cash		<u>13.346.285</u>	<u>14.461.082</u>
Current assets		<u>13.649.025</u>	<u>14.461.082</u>
Assets		<u>247.292.312</u>	<u>250.588.982</u>

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Contributed capital		133.278.859	135.763.471
Proposed dividend		1.698.032	2.281.207
Equity		<u>134.976.891</u>	<u>138.044.678</u>
Deferred tax		1.069.000	992.500
Other provisions		573.630	291.120
Provisions		<u>1.642.630</u>	<u>1.283.620</u>
Deposits		2.437.540	4.260.671
Payables to group enterprises		105.000.000	105.000.000
Non-current liabilities other than provisions	3	<u>107.437.540</u>	<u>109.260.671</u>
Deposits		1.770.765	267.347
Trade payables		199.332	186.519
Income tax payable		0	424.350
Other payables		1.265.154	1.121.797
Current liabilities other than provisions		<u>3.235.251</u>	<u>2.000.013</u>
Liabilities other than provisions		<u>110.672.791</u>	<u>111.260.684</u>
Equity and liabilities		<u>247.292.312</u>	<u>250.588.982</u>
Mortgages and securities	4		
Related parties with controlling interest	5		

Statement of changes in equity for 2016

	Contributed capital DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	135.763.472	2.281.207	138.044.679
Decrease of capital	(2.484.613)	0	(2.484.613)
Ordinary dividend paid	0	(2.281.207)	(2.281.207)
Profit/loss for the year	0	1.698.032	1.698.032
Equity end of year	133.278.859	1.698.032	134.976.891

Notes

	2016	2015
	DKK	DKK
1. Tax on profit/loss for the year		
Tax on current year taxable income	397.562	406.077
Change in deferred tax for the year	76.500	294.524
Effect of changed tax rates	0	(18.799)
	474.062	681.802
		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		(6.721.141)
Depreciation for the year		(2.484.613)
Depreciation and impairment losses end of the year		(9.205.754)
Carrying amount end of year		233.643.287
		Outstanding after 5 years DKK
3. Liabilities other than provisions		
Deposits		2.437.540
Payables to group enterprises		105.000.000
		107.437.540
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 to the share capital.		
4. Mortgages and securities		
Mortgage debt is secured by way of mortgage on properties.		
5. Related parties with controlling interest		
PATRIZIA GewerbeInvest Kapitalverwaltungsgesellschaft mbH, Hamburg, Germany wholly owns the shares of the Entity and thus has control over the Entity.		

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 to 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.

Income statement

Revenue

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

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including rental income and gains from the sale of intangible assets and property, plant and equipment.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual

Accounting policies

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 net capital gains on securities, 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 on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

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 property

Investment property 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.

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

Income tax payable or receivable

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

Cash

Cash comprises cash in hand and bank deposits.

Accounting policies

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. 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 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.