

PATRIZIA HOVEDGADE ApS

Gammel Køge Landevej 57, 3.
2500 Valby
Business Registration No
35672834

Annual report 2018

The Annual General Meeting adopted the annual report on 23.05.2019

Chairman of the General Meeting



Name: Louise Hertz

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Entity details

Entity

PATRIZIA HOVEDGADE ApS
Gammel Køge Landevej 57, 3.
2500 Valby

Central Business Registration No (CVR): 35672834

Registered in: København

Financial year: 01.01.2018 - 31.12.2018

Board of Directors

Sebastian Hubertus Lohmer

Louise Hertz

Jan Michael Wangermann

Dominik Josef Röhrich

Executive Board

Louise Hertz

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 HOVEDGADE ApS for the financial year 01.01.2018 - 31.12.2018.

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 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

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, 23.05.2019

Executive Board



Louise Hertz

Board of Directors



Sebastian Hubertus Lohmer



Louise Hertz



Jan Michael Wangermann



Dominik Josef Röhrich

Independent auditor's report

To the shareholders of PATRIZIA HOVEDGADE ApS

Opinion

We have audited the financial statements of PATRIZIA HOVEDGADE ApS for the financial year 01.01.2018 - 31.12.2018, 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 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 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 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, 23.05.2019

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No (CVR) 33963556



Lars Andersen

State Authorised Public Accountant

Identification No (MNE) mne27762

Management commentary

Primary activities

The Company owns and manages the property Lyngby Hovedgade 49B, 2800 Kgs. Lyngby (Denmark), and conducts activities associated therewith.

Development in activities and finances

The result of the period shows a gain of DKK 1.087.866. 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 2018

| | <u>Notes</u> | <u>2018</u> <u>DKK</u> | <u>2017</u> <u>DKK</u> |
|--|--------------|---------------------------|---------------------------|
| Revenue | | 8.521.370 | 8.589.311 |
| Other operating income | | 130.965 | 528.536 |
| Other external expenses | | <u>(1.508.816)</u> | <u>(1.100.181)</u> |
| Gross profit/loss | | 7.143.519 | 8.017.666 |
| Depreciation, amortisation and impairment losses | | <u>(1.444.026)</u> | <u>(1.449.658)</u> |
| Operating profit/loss | | 5.699.493 | 6.568.008 |
| Other financial expenses | | <u>(4.304.793)</u> | <u>(4.276.186)</u> |
| Profit/loss before tax | | 1.394.700 | 2.291.822 |
| Tax on profit/loss for the year | 2 | <u>(306.834)</u> | <u>(504.469)</u> |
| Profit/loss for the year | | <u>1.087.866</u> | <u>1.787.353</u> |
| Proposed distribution of profit/loss | | | |
| Retained earnings | | <u>1.087.866</u> | <u>1.787.353</u> |
| | | <u>1.087.866</u> | <u>1.787.353</u> |

Balance sheet at 31.12.2018

| | <u>Notes</u> | <u>2018 DKK</u> | <u>2017 DKK</u> |
|--------------------------------------|--------------|---------------------------|---------------------------|
| Investment property | | <u>127.806.947</u> | <u>129.250.973</u> |
| Property, plant and equipment | 3 | <u>127.806.947</u> | <u>129.250.973</u> |
| Fixed assets | | <u>127.806.947</u> | <u>129.250.973</u> |
| Other receivables | | <u>36.823</u> | <u>0</u> |
| Receivables | | <u>36.823</u> | <u>0</u> |
| Cash | | <u>16.748.822</u> | <u>13.756.398</u> |
| Current assets | | <u>16.785.645</u> | <u>13.756.398</u> |
| Assets | | <u>144.592.592</u> | <u>143.007.371</u> |

Balance sheet at 31.12.2018

| | <u>Notes</u> | <u>2018 DKK</u> | <u>2017 DKK</u> |
|--|--------------|---------------------------|---------------------------|
| Contributed capital | | 100.000 | 100.000 |
| Retained earnings | | <u>32.859.461</u> | <u>31.771.595</u> |
| Equity | | <u>32.959.461</u> | <u>31.871.595</u> |
| Deferred tax | | <u>1.553.820</u> | <u>1.246.985</u> |
| Provisions | | <u>1.553.820</u> | <u>1.246.985</u> |
| Mortgage debt | | 61.639.972 | 61.582.921 |
| Deposits | | 706.667 | 699.729 |
| Other payables | | <u>46.805.000</u> | <u>46.805.000</u> |
| Non-current liabilities other than provisions | 4 | <u>109.151.639</u> | <u>109.087.650</u> |
| Prepayments received from customers | 5 | 15.000 | 0 |
| Trade payables | | 81.815 | 6.696 |
| Other payables | | <u>830.857</u> | <u>794.445</u> |
| Current liabilities other than provisions | | <u>927.672</u> | <u>801.141</u> |
| Liabilities other than provisions | | <u>110.079.311</u> | <u>109.888.791</u> |
| Equity and liabilities | | <u>144.592.592</u> | <u>143.007.371</u> |
| Staff costs | 1 | | |
| Assets charged and collateral | 6 | | |
| Related parties with controlling interest | 7 | | |

Statement of changes in equity for 2018

| | Contributed capital DKK | Retained earnings DKK | Total DKK |
|---------------------------|--|--------------------------------------|----------------------|
| Equity beginning of year | 100.000 | 31.771.595 | 31.871.595 |
| Profit/loss for the year | 0 | 1.087.866 | 1.087.866 |
| Equity end of year | 100.000 | 32.859.461 | 32.959.461 |

Notes

| | <u>2018</u> | <u>2017</u> |
|-----------------------------|-------------|-------------|
| 1. Staff costs | | |
| Average number of employees | <u>0</u> | <u>0</u> |

| | <u>2018</u> | <u>2017</u> |
|---|-----------------------|-----------------------|
| | <u>DKK</u> | <u>DKK</u> |
| 2. Tax on profit/loss for the year | | |
| Change in deferred tax | <u>306.834</u> | <u>504.469</u> |
| | <u>306.834</u> | <u>504.469</u> |

| | <u>Investment property DKK</u> |
|---|--|
| 3. Property, plant and equipment | |
| Cost beginning of year | <u>134.687.186</u> |
| Cost end of year | <u>134.687.186</u> |
| Depreciation and impairment losses beginning of year | (5.436.213) |
| Depreciation for the year | <u>(1.444.026)</u> |
| Depreciation and impairment losses end of year | <u>(6.880.239)</u> |
| Carrying amount end of year | <u>127.806.947</u> |
| | <u>Outstanding after 5 years DKK</u> |

| | |
|---|---------------------------|
| 4. Liabilities other than provisions | |
| Mortgage debt | 61.639.972 |
| Other payables | <u>46.805.000</u> |
| | <u>108.444.972</u> |

Other payables to PATRIZIA GewerbeInvest Kapitalverwaltungsgesellschaft mbH must be repaid on 18 March 2024 at latest. Repayment – in full or partially – prior to maturity are only allowed by way of capital increase to the share capital.

5. Prepayments received from customers

Prepayments consist of prepaid rent.

6. Assets charged and collateral

Mortgage debt and other payables are secured by way of mortgage on properties.

Notes

7. 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.

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 rate 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, intangible assets, inventories 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 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.

Accounting policies

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for 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 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 expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange 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 useful lives of the assets:

| | |
|-----------------------|-------------|
| Investment properties | 25-75 years |
|-----------------------|-------------|

Investment properties are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Cash

Cash comprises cash in hand and bank deposits.

Accounting policies

Deferred tax

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

Mortgage debt

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Other financial liabilities

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

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.