
Patrizia Square ApS

Adelgade 15, 2., DK-1304 København K

Annual Report for 2014/2015

CVR No 36 71 09 77

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
23 15 2016


Søren Salby
Chairman


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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Patrizia Square ApS for the financial year 13 April - 31 December 2015.

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 2015 of the Company and of the results of the Company operations for 2015.

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

Copenhagen, 23/05 2016

Direktion

David Hilmar Herbert Girra

Bestyrelse

Rikke Lykke
Chairman

David Hilmar Herbert Girra

Klaus Alois Schmitt

Independent Auditor's Report on the Financial Statements

To the Shareholders of Patrizia Square ApS

We have audited the Financial Statements of Patrizia Square ApS for the financial year 13 April - 31 December 2015, which comprise income statement, balance sheet, notes and summary of significant accounting policies. 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 whether the Financial Statements are free from material misstatement.

An audit involves performing audit 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 misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company'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 Company'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 evaluating 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.

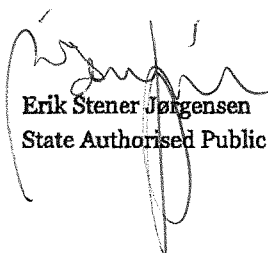
Our audit has not resulted in any qualification.

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2015 and of the results of the Company operations for the financial year 13 April - 31 December 2015 in accordance with the Danish Financial Statements Act.

Independent Auditor's Report on the Financial Statements

Hellerup, 23/5-2016
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31



Erik Stener Jørgensen
State Authorised Public Accountant



René Poulsen
State Authorised Public Accountant



Company Information

The Company	Patrizia Square ApS Adelgade 15, 2. DK-1304 København K CVR No: 36 71 09 77 Financial period: 13 April - 31 December Municipality of reg. office: Denmark
Supervisory Board	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 13 April - 31 December

	Note	2015 DKK
Revenue		3,515,877
Expenses concerning apartments		-1,208,147
Other external expenses		-1,592,359
Gross profit/loss before sales of apartments		715,371
Depreciation of property and plant	1	-1,444,925
Profit/loss before financial income and expenses		-729,554
Financial income	2	53,819
Financial expenses	3	-6,730,419
Profit/loss before tax		-7,406,154
Tax on profit/loss for the year	4	1,629,354
Net profit/loss for the year		-5,776,800

Distribution of profit

Proposed distribution of profit

Retained earnings	-5,776,800
	-5,776,800

Balance Sheet 31 December

Assets

	<u>Note</u>	<u>2015</u> DKK
Land and buildings		152,583,798
Other fixtures and fittings, tools and equipment		<u>17,582,851</u>
Plant and equipment	5	<u>170,166,649</u>
Investments in subsidiaries	6	<u>626,210,798</u>
Fixed asset investments		<u>626,210,798</u>
Fixed assets		<u>796,377,447</u>
Other receivables		9,546,520
Deferred tax asset		<u>1,629,354</u>
Receivables		<u>11,175,874</u>
Cash at bank and in hand		<u>22,633,178</u>
Currents assets		<u>33,809,052</u>
Assets		<u>830,186,499</u>

Balance Sheet 31 December

Liabilities and equity

	<u>Note</u>	<u>2015</u> DKK
Share capital		5,000,000
Retained earnings		<u>364,316,245</u>
Equity	7	<u>369,316,245</u>
Mortgage loans		83,554,360
Deposits		1,639,973
Payables to group enterprises	8	<u>372,752,392</u>
Long-term debt	8	<u>457,946,725</u>
Trade payables		2,124,897
Prepayments received from customers		81,678
Payables to group enterprises		337,245
Other payables		<u>379,709</u>
Short-term debt		<u>2,923,529</u>
Debt		<u>460,870,254</u>
Liabilities and equity		<u>830,186,499</u>
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Notes to the Financial Statements

	<u>2015</u>
	DKK
1 Depreciation of property and plant	
Depreciation of property, plant and equipment	<u>1,444,925</u>
	<u>1,444,925</u>
2 Financial income	
Exchange adjustments	<u>53,819</u>
	<u>53,819</u>
3 Financial expenses	
Interest paid to group enterprises	6,148,568
Other financial expenses	577,591
Exchange adjustments, expenses	<u>4,260</u>
	<u>6,730,419</u>
4 Tax on profit/loss for the year	
Current tax for the year	0
Deferred tax for the year	<u>-1,629,354</u>
	<u>-1,629,354</u>

Notes to the Financial Statements

5 Plant and equipment

	Land and buildings	Other fixtures and fittings, tools and equipment	Total
	DKK	DKK	DKK
Cost at 13 April	0	0	0
Additions for the year	152,772,805	18,838,769	171,611,574
Cost at 31 December	152,772,805	18,838,769	171,611,574
Depreciation for the year	189,007	1,255,918	1,444,925
Impairment losses and depreciation at 31 December	189,007	1,255,918	1,444,925
Carrying amount at 31 December	152,583,798	17,582,851	170,166,649

2015
DKK

6 Investments in subsidiaries

Cost at 13 April	0
Additions for the year	626,210,798
Carrying amount at 31 December	626,210,798

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit/loss for the year
Galleri K Retail ApS	København	1.000.000	100%	656,964,307	251,024,443

7 Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 13 April	50,000	0	50,000
Cash capital increase	4,950,000	370,093,045	375,043,045
Net profit/loss for the year	0	-5,776,800	-5,776,800
Equity at 31 December	5,000,000	364,316,245	369,316,245

Notes to the Financial Statements

The share capital consists of 5,000,000 shares of a nominal value of DKK 1. No shares carry any special rights.

The share capital has developed as follows:

	<u>2015</u>
	DKK
Share capital at 13 April	50,000
Capital increase	4,950,000
Capital decrease	<u>0</u>
Share capital at 31 December	<u>5,000,000</u>

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>2015</u>
	DKK
Mortgage loans	
After 5 years	83,554,360
Long-term part	<u>83,554,360</u>
Within 1 year	<u>0</u>
	<u>83,554,360</u>
Deposits	
After 5 years	1,639,973
Long-term part	<u>1,639,973</u>
Within 1 year	<u>0</u>
	<u>1,639,973</u>
Payables to group enterprises	
After 5 years	372,752,392
Long-term part	<u>372,752,392</u>
Within 1 year	<u>0</u>
	<u>372,752,392</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 83,554 has the company provided collateral in land and building with the carrying amount of TDKK 171,213 at 31 December 2015

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 and ownership

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:

The company is 100% owned by
PATRIZIA Wohnmodul I Zwischenholding S.à r.l.
2-4 Rue Beck
1222 Luxembourg

Accounting Policies

Basis of Preparation

Financial Statements of Patrizia Square ApS for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

Financial Statements for 2015 are presented in DKK

With reference to section 110 of the Danish Financial Statements Act, no consolidated financial statements are prepared.

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. Gains and losses 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 transaction date rates 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

Revenue

Revenue comprises rentals which are recognised on a straight line-basis over the lease term.

Accounting Policies

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 and plant

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

Property and plant

Property and plant are measured at cost less accumulated depreciation and less any accumulated impairment losses.

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

The scrap value of the properties are set to 50 % of the cost. In accordance to this assumption the useful lives of the properties are set as below.

Accounting Policies

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
Assets costing less than DKK 12,800 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.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Investments in are recognised and measured under the equity method.

The item in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of any remaining value of positive differences (goodwill) and deduction of any remaining value of negative differences (negative goodwill).

The total net revaluation of investments in is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in .

with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

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.

Accounting Policies

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.

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.