

København Sydhavn ApS

c/o PATRIZIA Denmark A/S, Adelgade 15, 2, København K

CVR no. 37 07 84 17



Annual report 2015

(from the establishment of the Company 11 September - 31 December 2015)

Approved at the annual general meeting of shareholders on 2 April 2016

Chairman:

S. P. A. T.



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Contents

Statement by the Executive Board	2
Independent auditors' report on the financial statements	3
Company details	4
Financial statements for the period 11 September - 31 December	5
Income statement	5
Balance sheet	6
Statement of changes in equity	8
Notes to the financial statements	9



Statement by the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of København Sydhavn ApS for the financial year from the establishment of the Company 11 September - 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 Company's financial position at 31 December 2015 and of the results of the Company's operations for the financial year from the establishment of the Company 11 September - 31 December 2015.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 8 April 2016
Executive Board:

Susanne Katharina Drost

Rikke Lykke

Independent auditors' report on the financial statements

To the shareholders of København Sydhavn ApS

We have audited the financial statements of København Sydhavn ApS for the financial year from the establishment of the Company 11 September - 31 December 2015, which comprise an income statement, balance sheet, statement of changes in equity and notes, including 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 that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 according to Danish audit regulations. 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 auditors' judgement, 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 auditors 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.

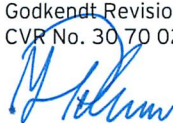
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 December 2015 and of the results of its operations for the financial year from the establishment of the Company 11 September - 31 December 2015 in accordance with the Danish Financial Statements Act.

Copenhagen, 8 April 2016
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR No. 30 70 02 28



Henrik Reedtz
State Authorised Public Accountant



Kaare Kristensen Lendorf
State Authorised Public Accountant



Management's review

Name	København Sydhavn ApS
Address, Postal code, City	c/o PATRIZIA Denmark A/S, Adelgade 15, 2, København K
CVR No.	37 07 84 17
Established	11 September 2015
Registered office	København
Financial year	11 September - 31 December 2015
Executive Board	Susanne Katharina Drost Rikke Lykke
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, P O Box 250, 2000 Frederiksberg, Denmark



Financial statements for the period 11 September - 31 December

Income statement

Note	DKK	2015 4 months
	Other external expenses	-25,000
	Gross profit/loss	-25,000
	Financial expenses	-2,960
	Profit/loss for the year	-27,960
	Proposed profit appropriation/distribution of loss	-27,960
	Retained earnings/accumulated loss	-27,960



Financial statements for the period 11 September - 31 December

Balance sheet

Note	DKK	<u>2015</u>
	ASSETS	
	Non-current assets	
4	Investments	
	Initial investment costs	<u>1,638,944</u>
		<u>1,638,944</u>
	Total non-current assets	<u>1,638,944</u>
	Current assets	
	Cash	<u>47,040</u>
	Total current assets	<u>47,040</u>
	TOTAL ASSETS	<u><u>1,685,984</u></u>



Financial statements for the period 11 September - 31 December

Balance sheet

Note	DKK	2015
	EQUITY AND LIABILITIES	
	Equity	
	Share capital	50,000
	Retained earnings	-27,960
	Total equity	<u>22,040</u>
	Liabilities other than provisions	
	Current liabilities other than provisions	
	Payables to group enterprises	1,638,944
	Other payables	25,000
		<u>1,663,944</u>
	Total liabilities other than provisions	<u>1,663,944</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>1,685,984</u></u>

- 1 Accounting policies
- 2 The Company's principal activities
- 3 The Company lost its equity

Financial statements for the period 11 September - 31 December

Statement of changes in equity

DKK	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 11 September 2015	50,000	0	50,000
Profit/loss for the year	0	-27,960	-27,960
Equity at 31 December 2015	<u>50,000</u>	<u>-27,960</u>	<u>22,040</u>

Financial statements for the period 11 September - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of København Sydhavn ApS for 2015 has been presented in accordance with the provisions of the Danish Financial Statements Act as regards reporting class B enterprises.

Reporting currency

The financial statements are presented in Danish kroner.

Corporate acquisitions

Enterprises acquired or formed are recognised in the consolidated financial statements from the date of acquisition or formation. Enterprises disposed of are recognised in the consolidated income statement until the date of disposal. Comparative figures are not restated for acquisitions or disposals.

Gains or losses on disposal of subsidiaries and associates are made up as the difference between the sales price and the carrying amount of net assets at the date of disposal plus non-amortised goodwill and anticipated selling costs.

Acquisitions of enterprises are accounted for using the purchase method, according to which the identifiable assets and liabilities acquired are measured at their fair values at the date of acquisition. Provision is made for costs related to adopted and announced plans to restructure the acquired enterprises in connection with the acquisition. The tax effect of the restatement of assets and liabilities is taken into account.

Any excess of the cost over the fair value of the identifiable assets and liabilities acquired (goodwill), including restructuring provisions, is recognised as intangible assets and amortised on a systematic basis in the income statement based on an individual assessment of the useful life of the asset, however not exceeding 20 years. Any excess of the fair values of the identifiable assets and liabilities acquired over the cost of the acquisition (negative goodwill), representing an anticipated adverse development in the acquired enterprises, is recognised in the balance sheet as deferred income and recognised in the income statement as the adverse development is realised. Negative goodwill not related to any anticipated adverse development is recognised in the balance sheet at an amount corresponding to the fair value of non-monetary assets. The amount is subsequently recognised in the income statement over the average useful lives of the non-monetary assets.

Goodwill and negative goodwill from acquired enterprises may be adjusted until the end of the year following the year of acquisition.

Income statement

Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to administration.

Financial expenses

Financial expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Financial statements for the period 11 September - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Investments in group entities and associates

Investments in subsidiaries and associates are measured at cost. Dividends received that exceed the accumulated earnings in the subsidiary or the associate during the period of ownership are treated as a reduction in the cost of acquisition.

Impairment of fixed assets

Intangible assets, property, plant and equipment and investments in subsidiaries and associates are subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation. Impairment tests are conducted in respect of individual assets or groups of assets generating separate cash flows when there is indications of impairment. The assets are written down to the higher of the value in use and net realisable value (recoverable amount) of the asset or group of assets if this is lower than the carrying amount. As for group of assets, impairment losses are first recognised in respect of goodwill and thereafter proportionately in respect of the other assets.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities which are subject to an insignificant risk of changes in value.

Financial statements for the period 11 September - 31 December

Notes to the financial statements

2 The Company's principal activities

The purpose of the company is to operate as acquisition vehicle for an alternative investment fund, including acquisition and holding of shares in subsidiaries which carry on business by purchasing, developing, owning and selling real property, issuing corporate bonds and business related hereto.

3 The Company lost its equity

In 2015, the Company lost more than 50% of its equity due to startup cost. Management expects that the equity will be re-established by future earnings or additional capital injection.

4 Investments

Investments comprise prepayments etc. in a Danish subsidiary with the purpose of building a number of apartments and townhouses on Teglholmen in Copenhagen. The takeover date of the company is expected to be at 1 November 2016 (completion date).