

PEREF Priscus S.à r.l.
Société à responsabilité limitée

Annual Accounts
For the period from 16 December 2015 (Date of inception)
to 31 December 2016

R.C.S. Luxembourg : B 202.968

Registered Office

14, rue Edward Steichen
L-2540 Luxembourg

PEREF Priscus S.à r.l.
Société à responsabilité limitée

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PEREF Priscus S.à r.l.*Société à responsabilité limitée***Balance Sheet
as at 31 December 2016**

	Note	2016 EUR
ASSETS		
Formation expenses	3	160,263
Fixed Assets	4	31,070,000
Tangible fixed assets		31,070,000
Land and buildings		31,070,000
Current Assets		581,176
Debtors	5	103,597
Trade receivables		9,952
becoming due and payable within one year		9,952
Amounts owed by affiliated undertakings		7,053
becoming due and payable within one year		7,053
Other receivables		86,592
becoming due and payable within one year		86,592
Cash at bank, cash in postal cheque accounts, cheques and cash in hand		477,579
Prepayments	6	63,916
TOTAL (ASSETS)		<u>31,875,355</u>



PEREF Priscus S.à r.l.*Société à responsabilité limitée***Balance Sheet
as at 31 December 2016**

	Note	2016 EUR
LIABILITIES		
Capital and reserves	7	1,060,856
Subscribed capital		12,500
Share premium and similar premiums		2,622,500
Loss for the financial period		(1,574,144)
Non subordinated debts	8	30,814,499
Amounts owed to credit institutions		17,324,117
becoming due and payable within one year		917
becoming due and payable after more than one year		17,323,200
Trade creditors		196,164
becoming due and payable within one year		196,164
Amounts owed to affiliated undertakings		13,206,507
becoming due and payable within one year		323,507
becoming due and payable after more than one year		12,883,000
Taxes and social security debts		42,759
Tax debts		42,759
Other creditors		44,952
becoming due and payable within one year		44,952
TOTAL (LIABILITIES)		<u>31,875,355</u>



The notes in the annex form an integral part of the annual accounts.

PEREF Priscus S.à r.l.*Société à responsabilité limitée***Profit and Loss Account
for the period 16 December 2015 to 31 December 2016**

	Note	2016 EUR
CHARGES		
Other external charges	9	334,139
Value adjustments		1,371,847
on formation expenses and on tangible and intangible fixed assets	10	1,371,847
Value adjustments and fair value adjustments on financial current assets. Loss on disposal of transferable securities		44,643
Interest and other financial charges	11	1,077,634
concerning affiliated undertakings		850,981
other interest and similar financial charges		226,653
Other taxes		23,797
TOTAL CHARGES		2,852,060
INCOME		
Net turnover	12	1,238,786
Extraordinary income	13	39,130
Loss for the financial period		1,574,144
TOTAL INCOME		2,852,060

PEREF Priscus S.à r.l.
Société à responsabilité limitée

Notes to the annual accounts
31 December 2016

1. GENERAL

PEREF Priscus S.à r.l. (hereafter the "Company") was formed on 16 December 2015 as a Société à responsabilité limitée for an unlimited duration.

The registered office was established until 30 March 2016 at 5, Allée Sheffer, L-2520 Luxembourg and has been moved thereafter to 14, rue Edward Steichen, L-2540 Luxembourg.

The Company's financial year begins on 1 January and ends on 31 December. As an exception, this first financial period began on 16 December 2015 (incorporation date of the Company) and ended on 31 December 2016.

The Company's object is to acquire and hold interests, directly or indirectly, in any form whatsoever, in any Luxembourg or foreign entities, by way of, among others, the subscription or the acquisition of any securities and rights through participation, contribution, underwriting, firm purchase or option, negotiation or in any other way, or of financial debt instruments in any form whatsoever, and to administrate, develop and manage such holding of interests.

The Company may also render every assistance, whether by way of loans, guarantees or otherwise to its subsidiaries or companies in which it has a direct or indirect interest, even not substantial, or any company being a direct or indirect shareholder of the Company or any company belonging to the same group as the Company (the "Connected Companies"). On an ancillary basis of such assistance, the Company may also render administrative and marketing assistance to its Connected Companies.

The Company may subordinate its claims in favour of third parties for the obligations of any such Connected Companies.

For purposes of this article, a company shall be deemed to be part of the same "group" as the Company if such other company directly or indirectly owns, is owned by, is in control of, is controlled by, or is under common control with, or is controlled by a shareholder of, the Company, in each case whether beneficially or as trustee, guardian or other fiduciary. A company shall be deemed to control another company if the controlling company possesses, directly or indirectly, all or substantially all of the share capital of the company or has the power to direct or cause the direction of the management or policies of the other company, whether through the ownership of voting securities, by contract or otherwise.

The Company may in particular enter into the following transactions:

- borrow money in any form or obtain any form of credit facility and raise funds, except by way of public offer, through, including, but not limited to, the issue of bonds, notes, promissory notes, certificates and other debt or equity instruments, convertible or not, or the use of financial derivatives or otherwise;
- enter into any guarantee, pledge or any other form of security, whether by personal covenant or by mortgage or charge upon all or part of the undertaking, property assets (present or future) or by all or any of such methods, for the performance of any contracts or obligations of the Company and of any of the Connected Companies, or any director, manager or other agent of the Company or any of the Connected Companies, within the limits of any applicable law provision; and
- use any techniques and instruments to efficiently manage its investments and to protect itself against credit risks, currency exchange exposure, interest rate risks and other risks.

In addition to the foregoing, the Company may perform all legal, commercial, technical and financial transactions and, in general, all transactions which are necessary or useful to fulfil its corporate object as well as all transactions directly or indirectly connected with the areas described above in order to facilitate the accomplishment of its corporate object in all areas described above.

The Company is exempt from preparing consolidated financial statements based on criteria defined by Luxembourg law. Consequently, these financial statements are presented on an unconsolidated basis.

Notes to the annual accounts
31 December 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The annual accounts have been prepared in accordance with the Luxembourg legal and regulatory requirements following accounting principles generally accepted in Luxembourg. Accounting policies and valuation rules are, besides the ones laid down by the law of 19 December 2002, determined and applied by the Managers.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Managers to exercise judgement in the process of applying the accounting policies.

Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. Management believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Management makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2.2 Significant accounting policies

The main valuation rules applied by the Company are as follows:

2.2.1 Formation expenses

Formation costs are written off in the accounting period when they are incurred. Loan issuance expenses shown under this caption are stated at historical cost, less accumulated amortisation, determined on a straight-line basis from the date the loan was contracted until its contractual maturity.

2.2.2 Tangible assets

Tangible assets consist of investment properties. Investment properties are real estate assets held for long-term rental yields or for capital appreciation or both. Investment property also includes property that is being constructed or developed for future use as investment property.

All costs attributable to the development and construction of an investment property are capitalised. These costs include pre-acquisition costs, interests on borrowings and project costs that are directly associated with the respective project. Accruals are made for services rendered but not invoiced in the applicable period for transaction costs and development costs. Adjustments are made to reflect actual payments made in subsequent periods.

Investment properties are initially recorded at cost including costs directly related to the acquisition, renovation and development of real estate. After initial recognition, investment property is carried at fair value. Investment property under construction is measured at fair value if it is considered to be reliably determinable. Investment properties are appraised periodically, at least annually, to fair value (the "FV"). At the closing date, Management assesses subsequent expenditures and their impact on the FV of the investment properties to adjust the independently appraised value accordingly, if deemed appropriate. Colliers has been appointed by the Company as the current independent valuer.

All appraisals are prepared in accordance with International Valuation Standards and RICS Appraisal and Valuation Standards, taking an income-based approach and applying the discounted cash flow method or other appropriate method.

The FV is not meant to represent the liquidation value or the net realizable value of the properties, which would be dependent upon the price negotiated at the time of sale less any associated selling costs. The FV is largely based on estimates. Such estimates are inherently subjective and actual values can only be determined in a sales transaction. The unrealised gains are recorded in the revaluation reserves while the unrealised losses are recorded in the profit and loss accounts.

2.2.3 Derivative financial instruments

Derivative financial instruments are valued at fair values based on the market value. Unrealized gains and losses are recorded in the Profit and Loss Account.

Notes to the annual accounts
31 December 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Significant accounting policies (continued)

2.2.4 Debtors

Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

2.2.5 Translation of foreign currencies

The Company maintains its accounting records in EUR. All transactions expressed in currencies other than EUR are converted into EUR at the exchange rate ruling at the date of the transaction.

Formation costs as well as long-term assets expressed in currencies other than EUR are converted into EUR at rates of exchange ruling on the date of the transaction. At the date of the Balance Sheet, these remain at historic rates of exchange.

Cash and bank balances are converted at rates of exchange ruling at the date of the Balance Sheet. Profits or losses resulting from such conversion are shown on the Profit and Loss Account.

Other assets are individually converted and shown at the lower of cost or converted values. Liabilities are individually converted and shown at the higher of their nominal or converted values. Realised gains and all losses on exchange, whether realised or unrealised, are shown on the Profit and Loss Account.

Where there is an economic link between an asset and a liability, these are valued in total according to the method described above and the net unrealised loss is recorded in the Profit and Loss Account.

Assets and liabilities items which are fair valued are converted at the exchange rates effective at the Balance Sheet date. Foreign exchange differences on those items which are accounted at fair value are recognised in the Profit and Loss Accounts or revaluation reserves with the change in fair value.

2.2.6 Provisions

Provisions are intended to cover losses or debts the nature of which is clearly defined and which, at the date of the Balance Sheet are either likely or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

Provisions may also be created in order to cover charges which have their origin in the financial year under review or in a previous financial year, the nature of which is clearly defined and which at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or as to the date on which they will arise. Provisions may not be used to adjust the value of assets.

2.2.7 Prepayments

This asset item includes expenditure incurred during the financial year but relating to a subsequent financial year, and income earned during the financial year but receivable in a subsequent financial year.

2.2.8 Value adjustments

Value adjustments are deducted directly from the related asset.

2.2.9 Turnover

The net turnover comprises the amounts derived from the provision of services falling within the Company's ordinary activities, after deductions of sales rebates and of value added tax and other taxes directly linked to the turnover.

2.2.10 Creditors

Creditors are recorded at their reimbursement value. Where the amount repayable on account is greater than the amount received, the difference is shown in the Profit and Loss account when the debt is issued.

Notes to the annual accounts
31 December 2016

3.	FORMATION EXPENSES	2016
		EUR
	Formation expenses are composed of:	
	Loan issuance expenses	
	Cost as at 16 December 2015	-
	Additions for the financial period	177,424
	Cost as at 31 December 2016	177,424
	Amortisation as at 16 December 2015	-
	Amortisation for the financial period	(17,161)
	Amortisation as at 31 December 2016	(17,161)
	Net book value as at 31 December 2016	160,263
4.	FIXED ASSETS	
	TANGIBLE FIXED ASSETS	2016
		EUR
	Land and buildings	
	Cost at the beginning of the period (16 December 2015, incorporation date)	-
	Additions during the period	32,424,686
	Disposals during the period	-
	Cost - closing balance	32,424,686
	Change of fair value during the period	(1,354,686)
	Fair value - closing balance	31,070,000
	On 22 April 2016, the company acquired properties and ground leases located in Germany for the total of EUR 32,424,686. In total the Company acquired 8 properties.	
	During the financial period, the valuation of the real estate as set of the Company was assessed by an external valuer. The fair value was determined to be EUR 31,070,000. The fair value loss of EUR 1,354,686 is reflected in the Balance Sheet and Profit or Loss account.	
5.	DEBTORS	2016
		EUR
	Debtors are composed of:	
	Trade debtors	9,952
	Amounts due from affiliated undertakings	7,053
	Taxes and Social Security	
	Luxembourgish VAT receivable	63,025
	Other debtors	
	Amounts due in less than one year	23,567
	Total	103,597
6.	PREPAYMENTS	2016
		EUR
	Prepayments are composed of:	
	Deferred rent free costs	63,916
	Total	63,916

PEREF Priscus S.à r.l.
Société à responsabilité limitée

Notes to the annual accounts
31 December 2016

7. CAPITAL AND RESERVES

	Subscribed Capital	Share premium	Loss for the period	Total capital and reserves
As at 16 December 2015 (incorporation date)	12,500	-	-	12,500
Movements during the year:				
Increase during the year	-	2,622,500	-	2,622,500
Loss for the financial year	-	-	(1,574,144)	(1,574,144)
As at 31 December 2016	12,500	2,622,500	(1,574,144)	1,060,856

Subscribed capital

The authorised capital is EUR 12,500 represented by 12,500 units with a nominal value of EUR 1.00 each, subscribed and fully paid.

Share Premium

During the financial year ended 31 December 2016 the overall amount of EUR 2,622,500 was paid in to share premium account by the Shareholder of the Company.

Legal Reserve

Luxembourg companies are required by law to allocate at least 5% of their annual net profits to a legal reserve, until such time as the legal reserve reaches 10% of the issued share capital. This reserve is not available for distribution.

8. NON SUBORDINATED DEBTS

	Within one year	After one year and within five years	After more than five years	Total
Amounts owed to credit institutions	917	-	17,323,200	17,324,117
Trade creditors	196,164	-	-	196,164
Amounts owed to affiliated undertakings	323,507	12,883,000	-	13,206,507
Tax authorities	42,759	-	-	42,759
Other creditors	309	-	44,643	44,952
Total	563,656	12,883,000	17,367,843	30,814,499

On 23 February 2016, Bayerische Landesbank granted a loan with a principal amount of EUR 19,879,200, a maturity date on 23 May 2023 and a floating interest rate 3 month Euribor plus margin of 1.79%. As at 31 December 2016 the outstanding amount is EUR 17,324,117.

On 23 February 2016, Pramerica (PEREF) SCS granted a loan for a maximum principal amount of EUR 14,509,000, a maturity date on 23 March 2026 and an interest rate of 8.45%. As at 31 December the outstanding amount is EUR 12,883,000.

As at 31 December 2016 Amounts owed to affiliated undertakings within one year consist of accrued interest payable (EUR 197,869) and other amounts payable (EUR 113,548) to Pramerica (PEREF) SCS and other amounts payable (EUR 12,090) to Peref Verus S.à r.l..

Tax authorities represent German VAT payable.

As at 31 December 2016 Other creditors after more than five years represent an interest rate swap agreement with fair value EUR 44,643 and a maturity day on 30 June 2023. The agreement was signed with Bayerische Landesbank in order to cover losses as a result of the floating interest rate on the loan signed with the same institution.

PEREF Priscus S.à r.l.*Société à responsabilité limitée***Notes to the annual accounts
31 December 2016**

9. OTHER EXTERNAL CHARGES	For the period 16 December 2015 (inception) to 2016 EUR
Rents and service charges	116,102
Property management fee	47,252
Asset management fee	41,362
Tax consulting fees	30,182
Fund administration fees	30,171
Banking and similar services	24,912
Insurance premiums	22,752
Other professional fees	17,646
Miscellaneous external charges	2,741
Legal fees	1,019
	<hr/> 334,139 <hr/>
10. VALUE ADJUSTMENTS	For the period 16 December 2015 (inception) to 2016 EUR
In respect of formation expenses and of tangible and intangible fixed assets	
On tangible fixed assets	
Land and Buildings (Note 4)	1,354,686
Financing costs - amortization (Note 3)	17,161
Total value adjustments in respect of formation expenses and of tangible and intangible fixed assets	<hr/> 1,371,847 <hr/>
11. INTEREST AND OTHER FINANCIAL CHARGES	For the period 16 December 2015 (inception) to 2016 EUR
Concerning affiliated undertakings (Note 8)	850,981
Other interest and similar financial charges (Note 8)	226,654
Total value adjustments in respect of formation expenses and of tangible and intangible fixed assets	<hr/> 1,077,635 <hr/>

PEREF Priscus S.à r.l.
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Notes to the annual accounts
31 December 2016

12. NET TURNOVER

For the period
16 December
2015 (inception)
to 2016
EUR

Categories

Rental income	1,188,253
Other miscellaneous components of turnover	50,533
	<u>1,238,786</u>

13. EXTRAORDINARY INCOME

For the period
16 December
2015 (inception)
to 2016
EUR

Reimbursement of costs in relation to property Bad Sooden (not included in acquisition)	<u>39,130</u>
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14. NUMBER OF EMPLOYEES

The Company did not employ any personnel during the year.

15. TAX EXPENSES

The Company is subject to all taxes applicable to Luxembourg commercial companies.

16. OFF-BALANCE SHEET COMMITMENTS

The Company did not have any off Balance Sheet commitments during the period.

17. SUBSEQUENT EVENTS

There were no significant subsequent events after the balance sheet date.

PEREF Priscus S.à r.l.
Société à responsabilité limitée
REGISTRE OF COMMERCE B 202.968

Corporate information

MANAGERS	ELECTED	RESIGNED
Pramerica Luxembourg Corporate Directorship S.à r.l.	16 Dec 2015	
Enrico Baldan	16 Dec 2015	
Rüdiger Schwarz	16 Dec 2015	
Tobias Waldschmidt	16 Dec 2015	6 Dec 2016

DATE OF CONSTITUTION

16 Dec 2015

DATE OF PUBLICATION OF STATUTES

30 Mar 2016

REGISTERED OFFICE	FROM	TO
14, rue Edward Steichen L-2540 Luxembourg	30 Mar 2016	Present
5, allée Scheffer L-2520 Luxembourg	16 Dec 2015	30 Mar 2016