

PEREF Verus 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 202.974

Registered Office

14, rue Edward Steichen
L-2540 Luxembourg

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

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PEREF Verus S.à r.l.
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Balance Sheet
as at 31 December 2016

	Note	2016 EUR
ASSETS		
Formation expenses	3	280,039
Fixed Assets	4	53,670,000
Tangible fixed assets		53,670,000
Land and buildings		53,670,000
Current Assets		1,024,478
Debtors	5	217,146
Trade receivables		125,036
becoming due and payable within one year		125,036
Amounts owed by affiliated undertakings		12,090
becoming due and payable within one year		12,090
Other receivables		80,020
becoming due and payable within one year		80,020
Cash at bank, cash in postal cheque accounts, cheques and cash in hand		807,332
Prepayments	6	2,805
TOTAL (ASSETS)		<u>54,977,322</u>



PEREF Verus S.à r.l.
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Balance Sheet
as at 31 December 2016

	Note	2016 EUR
LIABILITIES		
Capital and reserves	7	1,073,964
Subscribed capital		12,500
Share premium and similar premiums		3,765,500
Loss for the financial period		(2,704,036)
Provisions	8	535
Provisions for taxation		535
Non subordinated debts	9	53,902,823
Amounts owed to credit institutions		31,782,482
becoming due and payable within one year		1,682
becoming due and payable after more than one year		31,780,800
Trade creditors		228,076
becoming due and payable within one year		228,076
Amounts owed to affiliated undertakings		21,723,090
becoming due and payable within one year		314,342
becoming due and payable after more than one year		21,408,748
Taxes and social security debts		83,191
Tax debts		83,191
Other creditors		85,984
becoming due and payable within one year		85,984
TOTAL (LIABILITIES)		<u>54,977,322</u>

Profit and Loss Account
for the period 16 December 2015 to 31 December 2016

	Note	2016 EUR
CHARGES		
Other external charges	10	598,158
Value adjustments	11	2,709,876
a) on formation expenses and on tangible and intangible fixed assets		2,709,876
Value adjustments and fair value adjustments on financial current assets. Loss on disposal of transferable securities		82,909
Interest and other financial charges	12	1,828,786
concerning affiliated undertakings		1,416,355
other interest and similar financial charges		412,431
Extraordinary charges		1,719
Other taxes		535
TOTAL CHARGES		5,221,983
INCOME		
Net turnover	13	2,517,947
Loss for the financial period		2,704,036
TOTAL INCOME		5,221,983

PEREF Verus S.à r.l.

Société à responsabilité limitée

Notes to the annual accounts 31 December 2016

1. GENERAL

PEREF Verus 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 costs

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 fixed 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

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.

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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	310,026
	Cost as at 31 December 2016	310,026
	Amortisation as at 16 December 2015	-
	Amortisation for financial period	(29,987)
	Amortisation as at 31 December 2016	(29,987)
	Net book value as at 31 December 2016	280,039
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	56,349,889
	Disposals during the period	-
	Cost - closing balance	56,349,889
	Change of fair value during the period	(2,679,889)
	Fair value - closing balance	53,670,000
	On 22 April 2016, the company acquired properties and ground leases located in Germany for the total of EUR 56,349,889. In total the Company acquired 19 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 53,670,00. The fair value loss of EUR 2,679,889 is reflected in the Balance Sheet and Profit or Loss account.	
5.	DEBTORS	
		2016
		EUR
	Debtors are composed of:	
	Trade debtors	125,036
	Amounts due from affiliated undertakings	12,090
	Taxes and Social Security	
	Luxembourgish VAT receivable	80,020
	Total	217,146
6.	PREPAYMENTS	
		2016
		EUR
	Prepayments are composed of:	
	Other prepaid expenses	2,000
	Deferred rent income	805
		2,805

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Notes to the annual accounts
31 December 2016

7. CAPITAL AND RESERVES

	Subscribed Capital	Share premium	Profit or (loss) for the	Total capital and reserves
As at 16 December 2015	12,500	-	-	12,500
Movements during the year:				
Increase during the year	-	3,765,500	-	3,765,500.00
Profit or (loss) for the financial year	-		(2,704,036)	(2,704,036.00)
As at 31 December 2016	12,500	3,765,500	(2,704,036)	1,073,964

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 3,765,500 was paid 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. PROVISIONS

2016
EUR

The provisions for liabilities and charges are as follows:

Luxembourg minimum NWT	535
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The provisions for taxation represent charges for tax, estimated by the Company, for which no assessments have been received. Any taxes paid in advance appear under "Other debtors".

9. NON SUBORDINATED DEBTS

	Within one year EUR	After one year and within five years EUR	After more than five years EUR	Total EUR
Amounts owed to credit institutions	1,682	-	31,780,800	31,782,482
Trade creditors	228,076	-	-	228,076
Amounts owed to affiliated undertakings	314,342	21,408,748	-	21,723,090
Tax authorities	83,191	-	-	83,191
Other creditors	3,076	-	82,908	85,984
Total	630,367	21,408,748	31,863,708	53,902,823

Notes to the annual accounts
31 December 2016

9. NON SUBORDINATED DEBTS (continued)

On 23 February 2016, Bayerische Landesbank granted a loan with a principal amount of EUR 31,780,800, 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 31,782,482.

On 23 February 2016 Pramerica (PEREF) SCS granted a loan for a maximum principal amount of EUR 21,600,000 a maturity date on 1 January 2026 and a interest rate of 8.45%. As at 31 December 2016 the outstanding amount is EUR 21,408,748.

As at 31 December 2016 Amounts owed to affiliated undertakings within one year consist of accrued interest payable (EUR 307,289) to Pramerica (PEREF) SCS and bank fees (EUR 7,053) paid on behalf of the Company by PEREF Priscus S.à r.l..

Tax authorities represent German VAT payable.

As at 31 December 2016 Other creditors after more than five years consist of an interest rate swap agreement with fair value EUR 82,908 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.

10. OTHER EXTERNAL CHARGES

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

Rents and service charges	231,284
Property management fees	108,836
Asset management fees	73,660
Insurance premiums	43,807
Fund administration fee	35,019
Consulting and other professional fees	35,060
Banking and similar services	30,850
Tax consulting fees	27,499
Miscellaneous external charges	11,316
Legal fees	827
	598,158

11. VALUE ADJUSTMENTS

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

In respect of formation expenses and of tangible and intangible fixed assets

Land and Buildings (Note 4)	2,679,889
Financing costs - amortization (Note 3)	29,987

Total value adjustments in respect of formation expenses and of tangible and intangible fixed assets

2,709,876

12. INTEREST AND OTHER FINANCIAL CHARGES

For the period
to 2016
EUR

Concerning affiliated undertakings (Note 9)	1,416,355
Other interest and similar financial charges (Note 9)	412,431

Total value adjustments in respect of formation expenses and of tangible

1,828,786

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Notes to the annual accounts
31 December 2016

13. NET TURNOVER

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

Categories

Rental income	2,402,316
Other service charges and direct recoveries	<u>115,631</u>
	<u>2,517,947</u>

14. NUMBER OF EMPLOYEES

The Company did not have 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 Verus S.à r.l.
Société à responsabilité limitée
REGISTRE OF COMMERCE B 202.974

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