

# Copenhagen Towers Holding ApS

c/o Solstra Capital Partners  
Lautrupsgade 7, 3. tv, 2100 København Ø

CVR no. 28 13 45 17

## Annual report 2017

Approved at the Company's annual general meeting on 31 May 2018

Chairman:



Mette Kapsch





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## Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Copenhagen Towers Holding ApS for the financial year 1 January - 31 December 2017.

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 of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017.

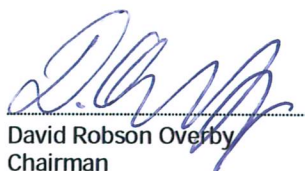
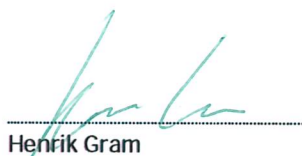

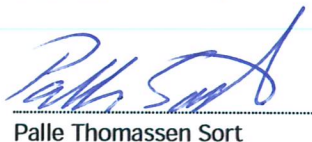
Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Copenhagen, 31 May 2018  
Executive Board:

  
.....  
Henrik Gram

Board of Directors:

  
.....  
David Robson Overby  
Chairman  
.....  
Henrik Gram  
.....  
Mette Kapsch  
.....  
Palle Thomassen Sort

## Independent auditor's report

To the shareholders of Copenhagen Towers Holding ApS

### Opinion

We have audited the financial statements of Copenhagen Towers Holding ApS for the financial year 1 January - 31 December 2017, which comprise 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.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence*

We are independent of the Company in accordance with the International Ethics Standards Board for 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 rules and requirements.

### Material uncertainty related to going concern

We draw attention to note 2 in which Management states that the Company's ability to remain a going concern is affected by the Group's ability to remain a going concern. Management states that it is a condition for the Group's ability to remain a going concern that Group earnings from the hotel activities increase ensuring that the hotel activities result in an increased lease income and that the Group obtains positive results of its ongoing work regarding renewing its main financing agreements. It is Management's assessment that these assumptions will be achieved, and consequently, the financial statements have been prepared on a going concern assumption.

We have not modified our opinion in respect of this matter.

### 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company 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 as to 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 the financial statements.



## Independent auditor's report

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:

- ▶ 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 Company'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 Company'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 Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, 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's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, 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's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 31 May 2018  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Anders Stig Lauritsen  
State Authorised Public Accountant  
MNE no.: mne32800



Kaare Kristensen Lendorf  
State Authorised Public Accountant  
MNE no.: mne33819



## Management's review

### Company details

Name	Copenhagen Towers Holding ApS
Address, Postal code, City	c/o Solstra Capital Partners Lautrupsgade 7, 3. tv, 2100 København Ø
CVR no.	28 13 45 17
Established	25 October 2004
Registered office	Copenhagen
Financial year	1 January - 31 December
Telephone	+45 39 13 91 00
Board of Directors	David Robson Overby, Chairman Henrik Gram Mette Kapsch Palle Thomassen Sort
Executive Board	Henrik Gram
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvold Helmutshs Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark

## Management's review

### Business review

The Company's objective is to hold ownership interests in Copenhagen Towers ApS. Copenhagen Towers ApS owns a hotel and conference centre, which is leased to Crowne Plaza Copenhagen Towers A/S.

### Unusual matters having affected the financial statements

#### *Going concern*

The main financing agreements falls due in the coming financial year and the loan has been recognised as a current liability in the financial statements. Management has prepared a sensitivity analysis on cash flow budgets showing that it is a precondition for the Company's ability to remain a going concern until the presentation of the financial statements for 2018 that the Group obtains positive results of its ongoing work regarding renewing its main financing agreements in addition to a continued positive development in the leasing activity.

Management is working on such renewed main financing together with the lender and management expects to finalise a new financing agreement during the coming months and to rent out a significant part of the vacant buildings in the coming period.

There is material uncertainty related to the going concern assumption, which casts significant doubt on the Company's ability to continue as a going concern, and therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business.

The Company's equity is expected to be re-established over the coming years due to rent income from properties, realization of properties and cancellation of debt.

Reference is made to note 2 for more details.

### Financial review

The income statement for 2017 shows a loss of DKK 31 thousand against a loss of DKK 37 thousand last year, and the balance sheet at 31 December 2017 shows a negative equity of DKK 66,934 thousand.

### Events after the balance sheet date

No significant events have occurred after the balance date that materially affect the financial statements at 31 December 2017.

### Outlook

In the coming year, Management expects that earnings from the leasing activities will increase in connection with the reduction of vacancy and positive results of the negotiations regarding refinancing, which is a condition for the Company's continued operations after 2018.



## Financial statements 1 January - 31 December

### Income statement

Note	DKK'000	2017	2016
	Other external expenses	-31	-37
	Gross margin	-31	-37
	Profit/loss before tax	-31	-37
	Tax for the year	0	0
	Profit/loss for the year	-31	-37
	Recommended appropriation of profit/loss	-31	-37
	Retained earnings/accumulated loss	-31	-37





## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK'000	2017	2016
	<b>ASSETS</b>		
	<b>TOTAL ASSETS</b>	<u>0</u>	<u>0</u>
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	Share capital	195,490	195,490
	Retained earnings	<u>-262,424</u>	<u>-262,393</u>
	<b>Total equity</b>	<u>-66,934</u>	<u>-66,903</u>
	<b>Liabilities other than provisions</b>		
	Current liabilities other than provisions		
	Payables to group entities	66,903	66,866
	Other payables	<u>31</u>	<u>37</u>
		<u>66,934</u>	<u>66,903</u>
	<b>Total liabilities other than provisions</b>	<u>66,934</u>	<u>66,903</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u>0</u>	<u>0</u>

- 1 Accounting policies
- 2 Material going concern uncertainties
- 3 Staff costs
- 5 Contractual obligations and contingencies, etc.
- 6 Collateral
- 7 Related parties



Financial statements 1 January - 31 December

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Total
Equity at 1 January 2017	195,490	-262,393	-66,903
Transfer through appropriation of loss	0	-31	-31
Equity at 31 December 2017	195,490	-262,424	-66,934

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Copenhagen Towers Holding ApS has been prepared in accordance with the provisions applying to reporting class B enterprises under the Danish Financial Statements Act.

In accordance with section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. We refer to the consolidated financial statements of the parent company in Denmark, CT Solstra ApS.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Basis of recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Company and the value of the asset can be reliably measured.

Liabilities are recognised in the balance sheet when an outflow of economic benefits is probable and when the liability can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

Certain financial assets and liabilities are measured at amortised cost implying the recognition of a constant effective interest rate to maturity. Amortised cost is calculated as initial cost minus any principal repayments and plus or minus the cumulative amortisation of any difference between cost and nominal amount.

In recognising and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value or amortised cost. Equally, costs incurred to generate the year's earnings are recognised including depreciation, amortisation, impairment losses and provisions as well as reversals as a result of changes in accounting estimates of amounts which were previously recognised in the income statement.

#### Reporting currency

The financial statements are presented in Danish kroner (DKK).

#### Income statement

##### Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity and its Danish group entities are taxed on a joint basis. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).

Jointly taxed companies entitled to a tax refund are, as a minimum, reimbursed by the administrative company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to the current rates applicable to interest surcharges to the administrative company.

##### Balance sheet

##### Investments in subsidiaries 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

Investments in subsidiaries and associates are subject to an annual test for indication of impairment other than the decrease in value reflected by depreciation or amortisation. Impairment tests are conducted in respect of assets or groups of assets generating separate cash flows when there is an indication 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.

##### Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Other payables

Other payables are measured at net realisable value.

#### 2 Material going concern uncertainties

The main financing agreements falls due in the coming financial year and the loan has been recognised as a current liability in the financial statements. Management has prepared a sensitivity analysis on cash flow budgets showing that it is a precondition for the Company's ability to remain a going concern until the presentation of the financial statements for 2018 that the Group obtains positive results of its ongoing work regarding renewing its main financing agreements in addition to a continued positive development in the leasing activity.

Management is working on such renewed main financing together with the lender and management expects to finalise a new financing agreement during the coming months and to rent out a significant part of the vacant buildings in the coming period.

There is material uncertainty related to the going concern assumption, which casts significant doubt on the Company's ability to continue as a going concern, and therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business.

The Company's equity is expected to be re-established over the coming years due to rent income from properties, realization of properties and cancellation of debt.

#### 3 Staff costs

The Company has no employees.

#### 4 Investments

Name	Domicile	Interest	Equity DKK'000	Profit/loss DKK'000
Subsidiaries				
Copenhagen Towers ApS	Copenhagen	100.00%	-612,243	-1,032

#### 5 Contractual obligations and contingencies, etc.

##### Other contingent liabilities

The Company was jointly taxed with the other Danish companies in the ALMC Group until 31 January 2014. Together with the other companies included in the joint taxation, the Company is jointly and severally liable for payment of income taxes for the income in the period of joint taxation and withholding taxes in the group of jointly taxed entities.

The Company is jointly taxed with the other companies in the CT Solstra Group. As a wholly-owned subsidiary, together with the other companies included in the joint taxation, the Company has joint and several unlimited liability for payment of income taxes as well as withholding taxes.



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 6 Collateral

The Company's share in Copenhagen Towers ApS, the carrying amount of which is DKK 0, has been provided as security for the Group's bank loans.

The Company has provided guarantees to loan in the development of stage 1 of the Copenhagen Towers.

#### 7 Related parties

##### Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
CT Solstra ApS	Copenhagen	Lautrupsgade 7, DK-2100

##### Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the share capital:

<u>Name</u>	<u>Domicile</u>
Copenhagen Skyline ApS	Lautrupsgade 7, DK-2100 Copenhagen