

Copenhagen Skyline ApS

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

CVR no. 29 42 23 89



Annual report 2016

Approved at the annual general meeting of shareholders on 13 June 2017

Chairman:



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Mette Kapsch



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Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Company details	5
Management commentary	6
Financial statements 1 January - 31 December	7
Income statement	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10

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 Skyline ApS for the financial year 1 January - 31 December 2016.

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 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016.

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, 13 June 2017

Executive Board:



David Overby

Board of Directors:



Oscar Claudius Crohn
Chairman



Palle Sort



David Overby



Mette Kapsch

Independent auditor's report

To the shareholders of Copenhagen Skyline ApS

Opinion

We have audited the financial statements of Copenhagen Skyline ApS for the financial year 1 January - 31 December 2016, 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.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016 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 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 the Group obtains positive results of its ongoing negotiations regarding additional financing and obtains a positive development in the leasing activity. 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 about 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.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

Independent auditor's report

- ▶ 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 conclusion is 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 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 our procedures, 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, 13 June 2017
Ernst & Young
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Anders Stig Lauritsen
State Authorised Public Accountant



Kaare Kristensen Lendorf
State Authorised Public Accountant



Management's review

Company details

Name	Copenhagen Skyline ApS
Address, Postal code, City	c/o Solstra Capital Partners Lautrupsgade 7, 3. tv., 2100 København Ø
CVR no.	29 42 23 89
Established	15 March 2006
Registered office	Copenhagen
Financial year	1 January - 31 December
Telephone	+45 39 13 91 00
Board of Directors	Oscar Claudius Crohn, Chairman Palle Sort David Overby Mette Kapsch
Executive Board	David Overby
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Management commentary

Business review

The Company's purpose is to hold investments in the subsidiaries Komplementarselskabet WTCC A/S, WTCC P/S and Copenhagen Towers Holding ApS. The Company has been indirectly involved in the construction of stages 1 and 2 of the Copenhagen Towers project.

Unusual matters having affected the financial statements

Going concern

Due to the Company's unlimited liability in respect of Copenhagen Towers II P/S' obligations, the assessment of the Company's ability to remain a going concern must be assessed together with the Group's ability to remain a going concern.

In 2012, the real estate companies entered into financing agreements with the bank. The financing agreements comprise financing for the completion of the office building constituting stage 2 owned by Copenhagen Towers II P/S and financing for stage 1 owned by Copenhagen Towers ApS.

At 4 October 2016, the Group entered into an addendum to the existing financing agreements, where the loan commitment was increased and amortisation was deferred to 31 October 2018, where the loan in its entirety falls due.

Management has prepared a sensitivity analysis on cash flow budgets showing that it is a condition for the Company's ability to remain a going concern until the presentation of the financial statements for 2017 that the Group obtains positive results of its ongoing negotiations regarding additional financing and obtains a positive development in the leasing activity. Management experiences increased demand from potential tenants for the vacant buildings. Management expects to reach a new financing agreement during the coming months and to lease 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 realise 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, realisation of properties and cancellation of debt.

Reference is made to note 2 for more details.

Financial review

The income statement for 2016 shows a profit of DKK 0 against a loss of DKK -7 thousand last year, and the balance sheet at 31 December 2016 shows a negative equity of DKK 190,523 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 2016. Offices are fitted out for tenants as lease contracts are entered into.

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 2017.

Financial statements for the period 1 January - 31 December

Income statement

Note	DKK'000	2016	2015
	Other external expenses	-38	-46
	Gross margin	-38	-46
	Value adjustment of intercompany receivables	38	39
	Profit/loss before tax	0	-7
	Tax for the year	0	0
	Profit/loss for the year	0	-7
	 Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	0	-7
		0	-7

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK'000	2016	2015
	ASSETS		
	TOTAL ASSETS	<u>0</u>	<u>0</u>
	EQUITY AND LIABILITIES		
	Equity		
5	Share capital	125	125
	Retained earnings	<u>-190,648</u>	<u>-190,648</u>
	Total equity	<u>-190,523</u>	<u>-190,523</u>
	Liabilities		
6	Non-current liabilities other than provisions		
	Payables to group entities	<u>138,072</u>	<u>138,072</u>
		<u>138,072</u>	<u>138,072</u>
	Current liabilities		
	Payables to group entities	52,413	52,413
	Other payables	<u>38</u>	<u>38</u>
		<u>52,451</u>	<u>52,451</u>
	Total liabilities other than provisions	<u>190,523</u>	<u>190,523</u>
	TOTAL EQUITY AND LIABILITIES	<u>0</u>	<u>0</u>

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

Financial statements for the period 1 January - 31 December

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Total
Equity at 1 January 2016	125	-190,648	-190,523
Equity at 31 December 2016	125	-190,648	-190,523

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Copenhagen Skyline 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.

Changes to presentation and disclosures only

Effective 1 January 2016, the Company has implemented act no. 738 of 1 June 2015 with amendments to the Danish Financial Statements Act. As the implementation of the amendment act has no impact in terms of value on the income statement or the balance sheet in the financial year, nor on the comparative figures, the financial statements have been prepared based on the same accounting policies as last year.

The amendment act has solely implied new or changed presentation and disclosure requirements, which have been incorporated in the financial statements.

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 for the period 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 which exceed the accumulated earnings in the subsidiary or the associate in the period of ownership are treated as a cost reduction.

Impairment of fixed assets

Every year, intangible assets and property, plant and equipment as well as investments in subsidiaries and associates are reviewed for impairment. Where there is an indication of impairment, an impairment test is made for each asset or group of assets, respectively, generating independent cash flows. The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount. Where an impairment loss is recognised on a group of assets, a loss must first be allocated to goodwill and then to the other assets on a pro rata basis.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Income taxes

Current tax payable and receivable is recognised in the balance sheet as the estimated tax charge in respect of the taxable income for the year, adjusted for tax on prior years' taxable income and tax paid on account.

Provisions for deferred tax are calculated, based on the liability method, of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income, as well as temporary differences on non-amortisable goodwill.

Deferred tax is measured according to the taxation rules and taxation rates in the respective countries applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the value at which they are expected to be utilised, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities within the same jurisdiction.

Other payables

Other payables are measured at net realisable value.

2 Material going concern uncertainties

Due to the Company's unlimited liability in respect of Copenhagen Towers II P/S' obligations, the assessment of the Company's ability to remain a going concern must be assessed together with the Group's ability to remain a going concern.

In 2012, the real estate companies entered into financing agreements with the bank. The financing agreements comprise financing for the completion of the office building constituting stage 2 owned by Copenhagen Towers II P/S and financing for stage 1 owned by Copenhagen Towers ApS.

At 4 October 2016, the Group entered into an addendum to the existing financing agreements, where the loan commitment was increased and amortisation was deferred to 31 October 2018, where the loan in its entirety falls due.

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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 realise 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, realisation of properties and cancellation of debt.

3 Staff costs

The Company has no employees.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

4 Investments

Name	Domicile	Interest	Equity DKK'000	Profit/loss DKK'000
Subsidiaries				
Komplementarselskabet WTCC A/S	Copenhagen	100.00 %	-49,675	-250
WTCC P/S	Copenhagen	100.00 %	5,197,626	-1,091,878
Copenhagen Towers Holding ApS	Copenhagen	100.00 %	-66,903,000	-37,000
			<u>2016</u>	<u>2015</u>

5 Share capital

Analysis of the share capital:

1 shares of DKK 125,000.00 nominal value each	<u>125</u>	<u>125</u>
	<u>125</u>	<u>125</u>

The Company's share capital has remained DKK 125 thousand over the past 5 years.

6 Non-current liabilities other than provisions

Of the long-term liabilities, DKK 138,072 thousand, fall due for payment after more than 5 years after the balance sheet date.

7 Contractual obligations and contingencies, etc.

Other contingent liabilities

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.

8 Collateral

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's share in WTCC P/S, Komplementarselskabet WTCC A/S and Copenhagen Towers Holding A/S, the carrying amount of which is DKK 0, has been provided as security for the Group's bank loans.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

9 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	Lastrupsgade 7, DK-2100 Copenhagen

Group enterprise transactions not carried through on normal market terms

Based on the Group's financial situation, no interest is recognised on amount owed by group entities.

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 Holding A/S	Lastrupsgade 7, DK-2100 Copenhagen