Copenhagen Skyline ApS

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

CVR no. 29 42 23 89

Annual report 2018

Approved at the Company's annual general meeting on 14 June 2019

Chairman:

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Mette Kapsch

Building a better working world

Contents

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 2018.

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 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018.

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, 14 June 2019
Executive Board:

Henrik Gram

Board of Directors:

David Overby
Chairman

Palle Sort

Henrik Gram

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 2018, 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 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 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 it is a condition for the Company's ability to remain a going concern that the Company extend its main financing agreements or the properties are sold. 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, 14 June 2019
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Henrik Reedtz	Kaare K. Lendorf
State Authorised Public Accountant	State Authorised Public Accountant
mne24830	mne33819

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	1 November 2004
Registered office	Copenhagen
Financial year	1 January - 31 December
Telephone	+45 39 13 91 00
Board of Directors	David Overby, Chairman Palle Sort Henrik Gram Mette Kapsch
Executive Board	Henrik Gram
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Business review

The Company's purpose is to hold investments in the subsidiaries Komplementarselskabet WTCC A/S and WTCC P/S and the ownership of the hotel and conference centre, which is leased to Crowne Plaza Copenhagen Towers A/S. The Company has been indirectly involved in the construction of stages 1 and 2 of the Copenhagen Towers project.

Recognition and measurement uncertainties

The Company's earnings were positively affected by completion of construction and development in the area, and the tenant Crowne Plaza Copenhagen Towers A/S performance have developed positively and is now stabilised.

Management has carried out an impairment test of non current assets. The test did not show a need to recognise any impairment losses.

Due to increased revenue from the operations during the past years, Management has reversed impairment write downs from previous years corresponding to this year's depreciations.

Reference is made to note 3 for more details.

Unusual matters having affected the financial statements

On May 16 2019 Copenhagen Skyline ApS (the surviving company) was merged with Copenhagen Towers Holding ApS (the non-surviving company). The merger was carried out with retrospective effect from 1 January 2018.

On May 20 2019 Copenhagen Skyline ApS (the surviving company) was merged with Copenhagen Towers ApS (the non-surviving company). The merger was carried out with retrospective effect from 1 January 2018.

The 2017 figures are restated for comparison purposes as a result of the legal merger. The merger resulted in a reduction of the equity of DKK 318,943 thousand.

Going concern

In January 2019 the maturity of the main financing agreements was extended and falls due in 2020. Management has prepared a sensitivity analysis on cash flow budgets showing that the Company will have sufficient liquidity to continue its operations until the loan falls due.
After this, it is a condition for the Company's ability to remain a going concern that the Company extend its main financing agreements or the properties are sold.

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

In 2018, the Company's revenue amounted to DKK 27,018 thousand against DKK 24,185 thousand last year. The income statement for 2018 shows a profit of DKK 13,307 thousand against a loss of DKK 167 thousand last year, and the balance sheet at 31 December 2018 shows a negative equity of DKK 488,132 thousand.

Management's review

Events after the balance sheet date

On May 15 2019 the merged Companies received both debt relief on group debt and group contribution in the total amount of DKK 281,173 thousand, increasing the equity in the same amount in 2019.

In addition, no significant events have occurred after the balance date that materially affect the financial statements at 31 December 2018.

Outlook

In the coming year, Management expects that earnings from the leasing activities will increase.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2018	2017
	Revenue	27,018	24,185
	Other operating income	1,229	0
	Other external expenses	-761	-317
	Gross profit	27,486	23,868
5	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-1,177	-1,177
	Profit before net financials	26,309	22,691
	Value adjustment of intercompany receivables	0	38
	Financial expenses	-12,211	-22,896
	Profit/loss before tax	14,098	-167
	Tax for the year	-791	0
	Profit/loss for the year	13,307	-167
	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	13,307	-167
		13,307	-167

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2018	2017
	ASSETS		
	Fixed assets		
5	Property, plant and equipment		
	Land and buildings	481,578	481,578
	Other fixtures and fittings, tools and equipment	1,086	2,263
		482,664	483,841
	Total fixed assets	482,664	483,841
	Non-fixed assets		
	Receivables		
	Receivables from group entities	18,616	18,248
	Prepayments	376	0
		18,992	18,248
	Cash	23,540	8,915
	Total non-fixed assets	42,532	27,163
	TOTAL ASSETS	525,196	511,004

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2018	2017
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	125	125
	Retained earnings	-488,257	-501,564
	Total equity	-488,132	-501,439
	Liabilities other than provisions		
7	Non-current liabilities other than provisions		
	Payables to group entities	201,822	200,945
		201,822	200,945
	Current liabilities other than provisions		
	Bank debt	685,330	685,330
	Trade payables	376	389
	Payables to group entities	102,885	100,350
	Income taxes payable	791	0
	Other payables	22,124	25,429
		811,506	811,498
	Total liabilities other than provisions	1,013,328	1,012,443
	TOTAL EQUITY AND LIABILITIES	525,196	511,004

1 Accounting policies
2 Material going concern uncertainties
3 Recognition and measurement uncertainties
4 Staff costs
8 Contractual obligations and contingencies, etc.
9 Collateral
10 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	125	-190,648	-190,523
Transfer through appropriation of loss	0	-167	-167
Reduction of equity as a consequence of the merger	0	-318,943	-318,943
Adjustment of hedging instruments at fair value	0	8,194	8,194
Equity at 1 January 2018	125	-501,564	-501,439
Transfer through appropriation of profit	0	13,307	13,307
Equity at 31 December 2018	125	-488,257	-488,132

Financial statements 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.

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

Change in the Company's activities, including effect of intra-group business combinations

The Company has carried out an intra-group business combination applying the uniting-of-interests method. Subsequently, the comparative figures have been restated as if the entities had been combined as from the earliest accounting period included 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

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Revenue comprises income from the lease of properties, etc.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets.

Other external expenses

Other external expenses comprise costs for distribution, sale, advertising, administration, premises, bad debt losses, etc.

Financial expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities and associates, declared dividends from other securities and investments, financial expenses relating to finance leases, realised and unrealised capital gains and losses relating to other securities and investments, exchange gains and losses and amortisation of financial assets and liabilities.

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation. Land is not depreciated.

The basis of depreciation is cost less expected residual value at the end of the useful life.

Cost comprises the purchase price, financing costs and any costs directly attributable to the acquisition until the date when the asset is available for use.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Buildings	20-50 years
Tools and equipment	10 years

Gains or losses on the disposal of property, plant and equipment are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as depreciation.

The carrying amount of property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation. Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount. Write-downs from previous years will be reversed when there is an indication of a higher value than the carrying amount.

Receivables

Receivables are measured at amortised cost. Write-down is made for bad debt losses after an individual assessment of receivables.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

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.

Prepayments

Prepayments, recognised under current assets, comprise costs incurred concerning subsequent years.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

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.

Liabilities

Financial liabilities comprising amounts owed to credit institutions, trade payables and payables to group enterprises are recognised at the date of borrowing at cost corresponding to the proceeds received less transaction costs paid. In subsequent periods, financial liabilities are measured at amortised cost.

Other liabilities are measured at net realisable value.

2 Material going concern uncertainties

In January 2019 the maturity of the main financing agreements was extended and falls due in 2020. Management has prepared a sensitivity analysis on cash flow budgets showing that the Company will have sufficient liquidity to continue its operations until the loan falls due.
After this, it is a condition for the Company's ability to remain a going concern that the Company extend its main financing agreements or the properties are sold.

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.

Financial statements 1 January - 31 December

Notes to the financial statements

3 Recognition and measurement uncertainties

The Company's earnings were positively affected by completion of construction and development in the area, and the tenant Crowne Plaza Copenhagen Towers A/S performance have developed positively and is now stabilised. Management has carried out an impairment test of non current assets. The test did not show a need to recognise any impairment losses.

Due to the above uncertainties regarding earnings, the impairment test is subject to considerable uncertainties, and consequently, the carrying amount of fixed assets is subject to considerable uncertainties. If the assumptions used develop adversely, impairment losses may need to be recognised in the coming financial years.

Due to increased revenue from the operations during the past years, Management has reversed impairment write downs from previous years corresponding to this year's depreciations.

4 Staff costs

The Company has no employees.

5 Property, plant and equipment

DKK'000	Land and buildings	Other fixtures and fittings, tools and equipment	Total
Cost at 1 January 2018	863,186	11,770	874,956
Cost at 31 December 2018	863,186	11,770	874,956
Revaluations at 1 January 2018	-203,084	0	-203,084
Revaluations in the year	30,822	0	30,822
Revaluations at 31 December 2018	-172,262	0	-172,262
Impairment losses and depreciation at 1 January 2018	178,524	9,507	188,031
Amortisation/depreciation in the year	30,822	1,177	31,999
Impairment losses and depreciation at 31 December 2018	209,346	10,684	220,030
Carrying amount at 31 December 2018	481,578	1,086	482,664

6 Investments

Name	Domicile	Interest	Equity DKK'000	Profit/loss DKK'000
Subsidiaries				
Komplementarselskabet WTCC A/S	Copenhagen	100.00%	-65	-18
WTCC P/S	Copenhagen	100.00%	5,739	-441

Financial statements 1 January - 31 December

Notes to the financial statements

7 Non-current liabilities other than provisions

DKK'000	Total debt at 31/12 2018	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Bank debt	685,330	685,330	0	0
Payables to group entities	201,822	0	201,822	0
	887,152	685,330	201,822	0

8 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company has been 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 Danish 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.

9 Collateral

Registered mortgages, totalling DKK 695 million in the Company's property with a carrying amount of DKK 482 million, have been provided as collateral for the Company's debts to banks.

The Company's bank account has been charged.

10 Related parties

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
CT Solstra ApS	Copenhagen	Laustrupsgade 7, DK-2100 Copenhagen

Ownership

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

Name	Domicile
Copenhagen Skyline Holding ApS	Lautrupsgade 7, DK-2100 Copenhagen