PIL 21 ApS

c/o Keystone Investment Management A/S,
Havnegade 39, DK-1058 Copenhagen C

Annual Report for 1 juli 2015 - 31 december 2016

CVR No 33 08 23 55

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 12/5 2017

Morten Sennecker Schultz
Chairman

Contents

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of PIL 21 ApS for the financial year 1 July 2015 - 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 at 31 December 2016 of the Company and of the results of the Company operations for 2015/16.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

København, 12 May 2017

Executive Board

Morten Sennecker Schultz
CEO

Board of Directors

Torsten Bjerregaard Chairman	Juha Matti Salokoski	Mika Markus Matikainen

Morten Sennecker Schultz

Independent Auditor’s Report

To the Shareholder of PIL 21 ApS

Opinion
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 July 2015 - 31 December 2016 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of PIL 21 ApS for the financial year 1 July 2015 - 31 December 2016, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies (”the Financial Statements”).

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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management’s Review
Management is responsible for Management’s Review.

Our opinion on the Financial Statements does not cover 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 Management’s Review and, in doing so, consider whether 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 Management’s Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management’s Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management’s Review.

Independent Auditor's Report

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 these 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 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.

Independent Auditor's Report

- 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 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.

Hellerup, 12 May 2017
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Jesper Wiinholt	Maj-Britt Nørskov Nannestad
State Authorised Public Accountant	State Authorised Public Accountant

Company Information

The Company	PIL 21 ApS c/o Keystone Investment Management A/S Havnegade 39 DK-1058 Copenhagen C CVR No: 33 08 23 55 Financial period: 1 July - 31 December Incorporated: 24 August 2010 Financial year: 6th financial year Municipality of reg. office: Copenhagen C
Board of Directors	Torsten Bjerregaard, Chairman Juha Matti Salokoski Mika Markus Matikainen Morten Sennecker Schultz
Executive Board	Morten Sennecker Schultz
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Management's Review

Financial Statements of PIL 21 ApS for 2015/16 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The company has changed the financial year in alignment with the group's financial year.
The Financial Statements for 2016 comprises of 18 months while 2015 comprises of 12 months.

The Annual Report has been prepared under the same accounting policies as last year.

Main activity

The Company's objektive is to invest in real estate and other related services.

Development in the year

The income statement of the Company for 2015/16 shows a profit of DKK 2,165,176, of which value adjustments amount to DKK 4,677,513, and at 31 December 2016 the balance sheet of the Company shows equity of DKK 8,021,622.

Uncertainty relating to recognition and measurement

As the company is engaged in development of investment properties, the Company is affected by changes in the property market, including the general level of interest rates and economic conditions. For a description of significant assumptions for the fair value recognition as 31 December 2016 please refer to note 5.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 July 2015 - 31 December 2016

	Note	2015/16 18 months DKK	2014/15 12 months DKK
Gross profit/loss before value adjustments		**2.889.329**	**2.160.874**
Value adjustments of investment assets and the financial liabilities involved	1	4.677.513	6.500.355
Gross profit/loss after value adjustments		**7.566.842**	**8.661.229**
Financial income	2	19.197	702
Financial expenses	3	-4.710.867	-1.265.351
Profit/loss before tax		**2.875.172**	**7.396.580**
Tax on profit/loss for the year	4	-709.996	-1.625.521
Net profit/loss for the year		**2.165.176**	**5.771.059**

Distribution of profit

Proposed distribution of profit

Extraordinary dividend paid	2.360.284	0
Retained earnings	-195.108	5.771.059
	2.165.176	**5.771.059**

Balance Sheet 31 December 2016

Assets

	Note	2016	30/6 2015
		DKK	DKK
Investment properties		100.200.000	95.428.000
Property, plant and equipment	5	**100.200.000**	**95.428.000**
Fixed assets		**100.200.000**	**95.428.000**
Other receivables		47.818	39.394
Corporation tax		0	27.049
Corporation tax receivable from group enterprises		274.012	0
Prepayments		73.051	40.219
Receivables		**394.881**	**106.662**
Cash at bank and in hand		**1.154.679**	**1.884.155**
Currents assets		**1.549.560**	**1.990.817**
Assets		**101.749.560**	**97.418.817**

Balance Sheet 31 December 2016

Liabilities and equity

	Note	2016	30/6 2015
		DKK	DKK
Share capital		80.000	80.000
Retained earnings		7.941.622	8.136.730
Equity		**8.021.622**	**8.216.730**
Provision for deferred tax		3.376.301	2.392.293
Provisions		**3.376.301**	**2.392.293**
Mortgage loans		0	73.870.025
Payables to group enterprises		84.975.141	0
Long-term debt	6	**84.975.141**	**73.870.025**
Mortgage loans	6	0	49.653
Prepayments received from customers		780.906	777.855
Trade payables		128.572	26.062
Payables to group enterprises	6	2.519.180	10.442.328
Other payables		1.947.838	1.613.059
Accruals		0	30.812
Short-term debt		**5.376.496**	**12.939.769**
Debt		**90.351.637**	**86.809.794**
Liabilities and equity		**101.749.560**	**97.418.817**
Contingent assets, liabilities and other financial obligations	7		

Statement of Changes in Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 July 2015	80.000	8.136.730	8.216.730
Extraordinary dividend paid	0	-2.360.284	-2.360.284
Net profit/loss for the year	0	2.165.176	2.165.176
Equity at 31 December 2016	**80.000**	**7.941.622**	**8.021.622**

Notes to the Financial Statements

		2015/16 18 months DKK	2014/15 12 months DKK
1	**Value adjustments of investment assets and the financial liabilities involved**		
	Value adjustments of investment properties	4.677.513	7.050.980
	Capital gains/losses on financial commitments, etc.	0	-550.625
		4.677.513	**6.500.355**
2	**Financial income**		
	Other financial income	75	702
	Exchange adjustments	19.122	0
		19.197	**702**
3	**Financial expenses**		
	Interest paid to group enterprises	2.995.059	226.691
	Other financial expenses	1.715.808	1.038.660
		4.710.867	**1.265.351**
4	**Tax on profit/loss for the year**		
	Current tax for the year	-274.012	-27.049
	Deferred tax for the year	984.008	1.652.570
		709.996	**1.625.521**

Notes to the Financial Statements

5 Assets measured at fair value

	Investment properties
	DKK
Cost at 1 July 2015	81.799.252
Additions for the year	94.487
Cost at 31 December 2016	81.893.739
Value adjustments at 1 July 2015	13.628.748
Revaluations for the year	4.677.513
Value adjustments at 31 December 2016	18.306.261
Carrying amount at 31 December 2016	**100.200.000**

Assumptions underlying the determination of fair value of investment properties

The Company's investment properties are 85% residential and 15% commercial.

The investment properties are located in the area of Copenhagen.

The properties are valued at fair value based on a DCF model, which is based on forecasts for future cash flows that the individual property is expected to generate, expected CAPEX investments and development in vacancy.

The basis for value calculation is the individual property's net operating profit, with a budget period of 11 years.

The increase in market rent has been estimated to follow a development in the range of 1% to 2% and with a vacancy level of 0%.

Expected changes in operating costs have been included in the DCF model in the range 1% to 2%.

The discount rate is fixed for the properties on the basis of a long-term risk-free nominal interest rate plus a risk adjustment. Risk adjustment is made based on an assessment of tenants' solvency and lease duration. The discount rate for the budget period and the terminal value for 2016 is set to 5,75%, includes a rate of return of 4,25 and an expected inflation of 1,50%.

Notes to the Financial Statements

5 Assets measured at fair value (continued)

Sensitivity in determination of fair value of investment properties

An individually determined average rate of return of 4,25% has been applied in the market value assessment at 31 December 2016.

Changes in estimated required rate of return for investment properties will affect the value of investment properties recognised in the balance sheet as well as value adjustments carried in the income statement.

Changes in average discount rate	-0,5 %	Base	0,5 %
	DKK	DKK	DKK
Rate of return	3,8	4,3	4,8
Fair value	114.100.000	100.200.000	89.300.000
Change in fair value	13.900.000	0	-10.900.000

6 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2016	30/6 2015
	DKK	DKK
Mortgage loans		
After 5 years	0	73.442.503
Between 1 and 5 years	0	427.522
Long-term part	0	73.870.025
Within 1 year	0	49.653
	0	**73.919.678**
Payables to group enterprises		
After 5 years	84.975.141	0
Long-term part	84.975.141	0
Other short-term debt to group enterprises	2.519.180	10.442.328
	87.494.321	**10.442.328**

Notes to the Financial Statements

	2016	30/6 2015
	DKK	DKK

7 Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with CMNRE Duck Holdco ApS's mortgage in credit institutes:

	2016 DKK	30/6 2015 DKK
Investment properties with a carrying amount of	100.200.000	0

The company is jointly and severally liable for CMNRE Duck Holdco ApS's debt in credit institutions.

Contingent liabilities

The group companies are jointly and severally liable for taxed income of the Group. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Accounting Policies

Basis of Preparation

The Annual Report of PIL 21 ApS for 2015/16 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The company has changed the financial year in alignment with the group's financial year.
The Financial Statements for 2016 comprises of 18 months while 2015 comprises of 12 months.

The accounting policies applied remain unchanged from last year.

Financial Statements for 2015/16 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Accounting Policies

Income Statement

Gross profit/loss after value adjustments

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Revenue

Rental income is recognised on a straight line-basis over the term of the lease.

Expenses concerning investment properties

Expenses concerning investment properties primarily include operating expenses for the year.

Other external expenses

Other external expenses comprise of management and counselling, costs and expenses for premises, etc.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Investment properties

In Management’s opinion the classification of the properties as investment properties did not cause any difficulties.

Fair value is the amount for which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction on the balance sheet date. The determination of fair value involves material accounting estimates.

Accounting Policies

In Management's opinion it has not been possible this year to determine fair value through market information, and, consequently, valuation has been made based on a recognised valuation technique.

The fair value of investment properties has been determined at 31 December 2016 for each property by using a Discounted Cash Flow model under which expected future cash flows are discounted to present value. The calculations are based on property budgets for the coming years. Allowance has been made for developments in rentals, vacancies, operating expenses, maintenance and administration, etc. The individual, budgeted cash flows are discounted at an individually fixed discount rate added a terminal value. The value thus calculated is adjusted for any non-operating assets such as cash and cash equivalents, deposits, etc if they are not shown separately in the balance sheet.

The fair value of investment properties has been assessed by the independent assessor firm Nybolig Erhverv at 31 December 2016.

The estimates applied are based on information and assumptions considered reasonable by Management but which are inherently uncertain and unpredictable. Actual events or circumstances will probably differ from the assumptions made in the calculations as often assumed events do not occur as expected. Such difference may be material. The assumptions applied are disclosed in the notes.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Accounting Policies

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Accruals

Accruals comprises payments received in respect of income in subsequent years.