

CC Properties II ApS

Strandvejen 58, 2.

CVR no. 34 07 40 89

Annual report 2015

The annual report was presented and
adopted at the annual general meeting of
the Company on 11 March 2016



Henrik Tilsted Knudsen
Chairman

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of CC Properties II ApS for the financial year 1 January - 31 December 2015.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2015 and of the result of the Company's operations for the year 1 January - 31 December 2015.

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


Hellerup, 11 March 2016

Executive Board

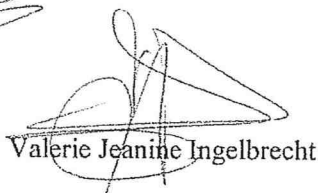


Christian Ulrich Brandt Birger-Christensen

Board of Directors



Séverine Géraldine Marie Desnos
Chairman



Valerie Jeanine Ingelbrecht



Christian Ulrich Brandt Birger-Christensen



KPMG
Statsautoriseret Revisionspartnerselskab
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Denmark

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Independent auditor's report

To the shareholders of CC Properties II ApS

We have audited the financial statements of CC Properties II ApS for the financial year 1 January - 31 December 2015. The financial statements comprise accounting policies, income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility 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 that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

Our audit has not resulted in any qualification.



Independent auditor's report

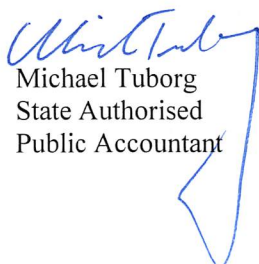
Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and the results of its operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Copenhagen, 11 March 2016

KPMG

Statsautoriseret Revisionspartnerselskab
CVR-nr. 25 57 81 98



Michael Tuborg
State Authorised
Public Accountant

Company details

The Company

CC Properties II ApS
Strandvejen 58, 2.
2900 Hellerup

CVR no.: 34 07 40 89
Financial Period: 1 January - 31 December
Incorporated: 2 December 2011
Registered office: Gentofte

Board of Directors

S everine G eraldine Marie Desnos, Chairman
Valerie Jeanine Ingelbrecht
Christian Ulrich Brandt Birger-Christensen

Executive Board

Christian Ulrich Brandt Birger-Christensen

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Dampf ergevej 28
2100 Copenhagen  

Financial statements 1 January - 31 December

Accounting policies

The Annual Report of CC Properties II ApS for 2015 has been prepared in accordance with the provisions applying to reporting class B enterprises under the Danish Financial Statements Act.

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

Income statement

Profit/loss from the lease of properties

Income and expenses related to property operation - excluding fair value adjustments - are recognised as rental income and operating expenses, respectively.

Administrative expenses

Administrative expenses comprise expenses incurred during the year for management and administration of the Company.

Financial income and expenses

Financial income and expenses comprise interest income and expenses, gains and losses on securities, payables and transactions denominated in foreign currencies.

Fair value adjustments of investment properties and related debt

Fair value adjustments of investment properties and debt related to properties are recognised in the income statement.

Gain on disposal of properties

Gains or losses on sale of investment properties are recognised as the difference between the sales price minus sales costs and booked value (fair value) at the time of sale. Gains or losses are recognised separately in the income statement after fair value adjustments.

Tax on profit/loss for the year

On payment of joint taxation contributions, the current Danish corporation tax is allocated between the jointly taxed companies in proportion to their taxable income. Companies with tax losses receive joint taxation contributions from companies that have been able to use the tax losses to reduce their own taxable profit.

Financial statements 1 January - 31 December

Accounting policies

Tax for the year comprises current tax, joint taxation contributions for the year and changes in deferred tax for the year due to changes in the tax rate. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Investment properties

On initial recognition, investment properties are measured at cost comprising the purchase price and transaction costs directly attributable to the acquisition. Subsequently, investment properties are measured at fair value.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses when there is objective evidence that a receivable or a portfolio of receivables has been impaired. If there is objective evidence that an individual receivable has been impaired, write-down is made on an individual basis.

Prepayments

Prepayments comprise costs incurred in relation to subsequent financial years.

Cash at bank and in hand

Cash at bank and in hand comprise cash at bank.

Equity - dividends

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date).

The expected dividend payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

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

Financial statements 1 January - 31 December

Accounting policies

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and other items where temporary differences 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 planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, 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 and jurisdiction.

Deferred tax is measured in accordance with 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. The change in deferred tax as a result of changes in tax rates is recognised in the income statement.

Other liabilities

Mortgage loans are recognised at the date of borrowing at the net proceeds received less transaction costs paid. Subsequently, mortgage loans are measured at fair value.

Other liabilities are measured at net realisable value.

Consolidated financial statements

The Company is included in the consolidated financial statements prepared for CC Properties ApS and Resolution III Holding S.A.R.L.

Financial statements 1 January - 31 December

Income statement

	<u>Note</u>	<u>2015</u> DKK'000	<u>2014</u> DKK'000
Revenue		8,727	7,982
External costs		<u>-4,295</u>	<u>-5,297</u>
Profit from the lease of properties		4,432	2,685
Administrative expenses		<u>-1,563</u>	<u>-1,608</u>
Profit before fair value adjustments		2,869	1,077
Fair value adjustment of investment properties and debt	2	<u>4,293</u>	<u>23,045</u>
Profit before financial income and expenses		7,162	24,122
Financial income	3	0	2
Financial expenses	4	<u>-1,796</u>	<u>-1,716</u>
Profit before tax		5,366	22,408
Tax on profit for the year	5	<u>-1,173</u>	<u>-4,915</u>
Net profit for the year		<u>4,193</u>	<u>17,493</u>
 Proposed profit appropriation/distribution of profit/loss			
Retained earnings		<u>4,193</u>	<u>17,493</u>
		<u>4,193</u>	<u>17,493</u>

Financial statements 1 January - 31 December

Balance Sheet

	<u>Note</u>	<u>2015</u> DKK'000	<u>2014</u> DKK'000
Assets			
Non-current assets			
Investment properties	6	<u>208,000</u>	<u>195,322</u>
Total non-current assets		<u>208,000</u>	<u>195,322</u>
Current assets			
Lease receivables		138	171
Amounts owed by group enterprises		2,541	439
Other receivables		979	3,505
Corporate tax		117	182
Prepayments		<u>64</u>	<u>75</u>
		<u>3,839</u>	<u>4,372</u>
Cash at bank and in hand		<u>0</u>	<u>7,512</u>
Total current assets		<u>3,839</u>	<u>11,884</u>
Total assets		<u>211,839</u>	<u>207,206</u>

Financial statements 1 January - 31 December

Balance sheet

	<u>Note</u>	<u>2015</u> DKK'000	<u>2014</u> DKK'000
Equity and liabilities			
Equity	7		
Share capital		30,000	30,000
Retained earnings		<u>66,229</u>	<u>62,036</u>
Total equity		<u>96,229</u>	<u>92,036</u>
Provisions			
Provision for deferred tax		<u>4,431</u>	<u>3,051</u>
Total provisions		<u>4,431</u>	<u>3,051</u>
Non-current liabilities			
Mortgage loan	8	105,051	105,672
Deposits and prepaid rent	8	<u>3,637</u>	<u>3,202</u>
Non-current liabilities		<u>108,688</u>	<u>108,874</u>
Current liabilities			
Other credit institutions		689	0
Trade payables		656	464
Other payables		<u>1,146</u>	<u>2,781</u>
Total current liabilities		<u>2,491</u>	<u>3,245</u>
Total liabilities		<u>111,179</u>	<u>112,119</u>
Total equity and liabilities		<u>211,839</u>	<u>207,206</u>
Main activity	1		
Contractual obligations and contingencies, etc.	9		

Financial statements 1 January - 31 December

Notes

1 Main activity

The Company's objective is to invest in residential properties, office buildings and retail properties. Investments are made directly by acquiring properties and indirectly through property companies. The Company is primarily to invest in properties in Greater Copenhagen but may also, subject to the Board of Directors' discretion, invest in properties in other places in Denmark. The Company has not had any employees during the year.

	<u>2015</u> DKK'000	<u>2014</u> DKK'000
2 Fair value adjustment of investment properties and debt		
Value adjustments of investment properties	<u>3,672</u>	<u>23,649</u>
Value adjustments of investment properties	<u>3,672</u>	<u>23,649</u>
Value adjustments of financial obligations	<u>621</u>	<u>-604</u>
Value adjustments of financial obligations	<u>621</u>	<u>-604</u>
	<u>4,293</u>	<u>23,045</u>
3 Financial income		
Financial income, bank	<u>0</u>	<u>2</u>
	<u>0</u>	<u>2</u>
4 Financial expenses		
Financial expenses, credit institutions	<u>1,787</u>	<u>1,709</u>
Other financial expenses	<u>9</u>	<u>7</u>
	<u>1,796</u>	<u>1,716</u>

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	<u>2015</u> DKK'000	<u>2014</u> DKK'000
5 Tax on profit for the year		
Tax payable	-117	-151
Change in deferred tax	<u>1,290</u>	<u>5,066</u>
	<u>1,173</u>	<u>4,915</u>
6 Investment properties		<u>Investment properties</u> DKK'000
Cost at 1 January 2015		179,079
Additions for the year		<u>9,006</u>
Cost at 31 December 2015		<u>188,085</u>
Revaluations at 1 January 2015		16,243
Fair value adjustment for the year		<u>3,672</u>
Revaluations at 31 December 2015		<u>19,915</u>
Carrying amount at 31 December 2015		<u>208,000</u>

Based on external valuations, the properties are valued at fair value using a DCF model on forecasts of the future cash flows that the individual properties are expected to generate. The basis of the valuation is the net operating profit of the individual properties.

The discount rate (yield) is determined based on the long-term risk-free nominal interest rate plus a risk adjustment. The risk adjustment is made based on an assesment of the solvency of tenants and duration of leases.

Exit yield for the valuation has been determined at 4.3% to 6.0%. Initial yield on the carrying amount is 2.6% to 3.7% based on the present net operating income.

Financial statements 1 January - 31 December

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7 Equity

	Share capital	Retained earnings	Total
	DKK'000	DKK'000	DKK'000
Equity at 1 January 2015	30,000	62,036	92,036
Net profit for the year	0	4,193	4,193
Equity at 31 December 2015	30,000	66,229	96,229

The company was founded with a share capital of DKK 80,000 which was increased to DKK 30,000,000 in 2012. There has been no capital increase since 2012.

The Company's share capital is DKK 30,000,000 divided into shares of DKK 1.

8 Non-current liabilities

	Debt at 1 January 2015	Debt at 31 December 2015	Debt after 5 years
	DKK'000	DKK'000	DKK'000
Mortgage loan	105,672	105,051	103,698
Deposits and prepaid rent	3,202	3,637	0
	108,874	108,688	103,698

Financial statements 1 January - 31 December

Notes

9 Contractual obligations and contingencies, etc.

Mortgages and collateral

Investment properties with a book value of DKK 208,000 thousand at 31 December 2015 have been provided as collateral for mortgage loans of DKK 105,050 thousand.

Contingencies

The Company has no contingent liabilities other than what is normal for property companies.

Joint taxation

The Company is jointly taxed with the CC Properties ApS Group (CC Properties ApS is appointed as administrative company).

Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc., may entail that the company's liability will increase.

The Group as a whole is not liable to others.