
CMNRE Amagerbrogade HoldCo ApS

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

Annual Report for 1 January - 31 December 2016

CVR No 35 40 15 20

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

Morten Sennecker Schultz
Chairman



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of CMNRE Amagerbrogade HoldCo 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 at 31 December 2016 of the Company and of the results of the Company operations for 2016.

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.

Copenhagen, 12 May 2017

Executive Board

Morten Sennecker Schultz
CEO

Board of Directors

Torsten Bjerregaard
Chairman

Juha Salokoski

Mika Matikainen

Morten Sennecker Schultz

Independent Auditor's Report

To the Shareholder of CMNRE Amagerbrogade HoldCo 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 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of CMNRE Amagerbrogade HoldCo ApS for the financial year 1 January - 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
State Authorised Public Accountant

Maj-Britt Nørskov Nannestad
State Authorised Public Accountant

Company Information

The Company

CMNRE Amagerbrogade HoldCo ApS
c/o Keystone Investment Management A/S
Havnegade 39
DK-1058 Copenhagen K

CVR No: 35 40 15 20

Financial period: 1 January - 31 December

Incorporated: 1 July 2014

Financial year: 3rd financial year

Municipality of reg. office: København

Board of Directors

Torsten Bjerregaard, Chairman
Juha Salokoski
Mika Matikainen
Morten Sennecker Schultz

Executive Board

Morten Sennecker Schultz, CEO

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Financial Statements of CMNRE Amagerbrogade HoldCo ApS for 2016 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 Annual Report has been prepared under the same accounting policies as last year.

Main activity

The purpose of the Company is to invest in subsidiaries, which acquire and run real estate properties.

Development in the year

The income statement of the Company for 2016 shows a profit of DKK 62,138,124, and at 31 December 2016 the balance sheet of the Company shows equity of DKK 135,788,542.

Subsequent events

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

Income Statement 1 January - 31 December

	Note	2016 DKK	2015 DKK
Income from investments in subsidiaries	1	62.862.713	20.232.195
Other external expenses		-170.215	-24.505
Gross profit/loss		62.692.498	20.207.690
Other financial income	2	5.485.089	5.553.535
Other financial expenses	3	-5.485.089	-5.553.754
Profit/loss before tax		62.692.498	20.207.471
Tax on profit/loss for the year	4	-554.374	572.179
Net profit/loss for the year		62.138.124	20.779.650

Distribution of profit

Proposed distribution of profit

Reserve for net revaluation under the equity method	62.862.713	13.739.909
Retained earnings	-724.589	7.039.741
	62.138.124	20.779.650

Balance Sheet 31 December

Assets

	Note	2016 DKK	2015 DKK
Investments in subsidiaries	5	135.947.715	72.170.385
Receivables from group enterprises		66.287.192	86.620.021
Fixed asset investments		202.234.907	158.790.406
Fixed assets		202.234.907	158.790.406
Receivables from group enterprises		14.304.628	8.881.027
Deferred tax asset		0	595.336
Corporation tax		40.962	2.044
Receivables		14.345.590	9.478.407
Cash at bank and in hand		42.527	46.699
Currents assets		14.388.117	9.525.106
Assets		216.623.024	168.315.512

Balance Sheet 31 December

Liabilities and equity

	Note	2016 DKK	2015 DKK
Share capital		85.000	85.000
Reserve for net revaluation under the equity method		96.912.720	33.135.390
Retained earnings		38.790.822	39.515.411
Equity		135.788.542	72.735.801
Payables to group enterprises		80.731.972	95.579.711
Long-term debt	6	80.731.972	95.579.711
Trade payables		102.510	0
Short-term debt		102.510	0
Debt		80.834.482	95.579.711
Liabilities and equity		216.623.024	168.315.512
Contingent assets, liabilities and other financial obligations	7		

Statement of Changes in Equity

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	85.000	33.135.390	39.515.411	72.735.801
Fair value adjustment of hedging instruments, end of year	0	914.617	0	914.617
Net profit/loss for the year	0	62.862.713	-724.589	62.138.124
Equity at 31 December	85.000	96.912.720	38.790.822	135.788.542

Notes to the Financial Statements

	2016	2015
	DKK	DKK
1 Income from investments in subsidiaries		
Share of profits of subsidiaries	63.168.945	24.008.996
Share of losses of subsidiaries	-306.232	-3.776.801
	62.862.713	20.232.195
2 Other financial income		
Interest received from group enterprises	5.485.089	5.553.535
	5.485.089	5.553.535
3 Other financial expenses		
Interest paid to group enterprises	5.485.089	5.553.754
	5.485.089	5.553.754
4 Tax on profit/loss for the year		
Current tax for the year	-40.962	-2.044
Deferred tax for the year	595.336	-570.135
	554.374	-572.179

Notes to the Financial Statements

	2016 <u>DKK</u>	2015 <u>DKK</u>
5 Investments in subsidiaries		
Cost at 1 January	39.034.995	39.034.995
Cost at 31 December	39.034.995	39.034.995
Value adjustments at 1 January	33.135.390	-6.492.286
Net effect from change of accounting policy	0	19.395.481
Net profit/loss for the year	62.862.713	20.232.195
Fair value adjustment of hedging instruments for the year	914.617	0
Value adjustments at 31 December	96.912.720	33.135.390
Carrying amount at 31 December	135.947.715	72.170.385

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
CMNRE Amagerbrogade PropCo ApS	København	84.000	100%
CMNRE Amagerbrogade DevCo ApS	København	51.000	100%

Notes to the Financial Statements

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:

	<u>2016</u> DKK	<u>2015</u> DKK
Payables to group enterprises		
After 5 years	0	95.579.711
Between 1 and 5 years	<u>80.731.972</u>	<u>0</u>
Long-term part	80.731.972	95.579.711
Within 1 year	<u>0</u>	<u>0</u>
	<u>80.731.972</u>	<u>95.579.711</u>

7 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The group companies are jointly and severally liable for tax on the jointly 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.

The company has provided recourse guarantees for the subsidiaries bank loans. The subsidiaries bank loans amounts to kDKK 151,730.

Accounting Policies

Basis of Preparation

The Annual Report of CMNRE Amagerbrogade HoldCo ApS for 2016 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 order of the items of the income statement differs from the format prescribed by the Danish Financial Statements Act as the order has been adjusted to the nature of the Company's activities.

The accounting policies applied remain unchanged from last year.

Financial Statements for 2016 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.

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.

Income Statement

Other external expenses

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

Accounting Policies

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

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 Danish group companies. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance Sheet

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The items "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of any remaining value of positive differences (goodwill) and deduction of any remaining value of negative differences (negative goodwill).

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in subsidiaries.

Subsidiaries and associates with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

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, including the tax base of tax loss carry-forwards, 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.

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.