
CMNRE CC Copenhagen Residential HoldCo ApS

Havnen 5, DK-8700 Horsens

Annual Report for 1 January - 31 December 2017

CVR No 35 80 21 18

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
31/5 2018

Juha Salokoski
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 CC Copenhagen Residential HoldCo ApS for the financial year 1 January - 31 December 2017.

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 2017 of the Company and of the results of the Company operations and cash flows for 2017.

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

Copenhagen, 31 May 2018

Executive Board

Torsten Bjerregaard

Board of Directors

Juha Salokoski

Torsten Bjerregaard

Mika Matikainen

Independent Auditor's Report

To the Shareholder of CMNRE CC Copenhagen Residential 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 2017 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2017 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of CMNRE CC Copenhagen Residential HoldCo ApS for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement 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.

Trekantområdet, 31 May 2018

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jesper Wiinholt
State Authorised Public Accountant
mne13914

John Lindholm Bode
State Authorised Public Accountant
mne32840

Company Information

The Company

CMNRE CC Copenhagen Residential HoldCo ApS
Havnen 5
DK-8700 Horsens

CVR No: 35 80 21 18
Financial period: 1 January - 31 December
Municipality of reg. office: Horsens

Board of Directors

Juha Salokoski
Torsten Bjerregaard
Mika Matikainen

Executive Board

Torsten Bjerregaard

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Herredsvej 32
DK-7100 Vejle

Management's Review

Key activities

The Company's purpose is to hold shares in the subsidiary CC Copenhagen Residential A/S.

Development in the year

The income statement of the Company for 2017 shows a profit of TDKK 45,730, and at 31 December 2017 the balance sheet of the Company shows equity of TDKK 69,534.

Subsequent events

No events have occurred after the balance sheet date which could significantly affect the company's financial position

Income Statement 1 January - 31 December

	<u>Note</u>	<u>2017</u> TDKK	<u>2016</u> TDKK
Gross profit/loss		-84	-32
Income from investments in subsidiaries		48.429	-479
Financial expenses	1	<u>-3.207</u>	<u>-2.488</u>
Profit/loss before tax		45.138	-2.999
Tax on profit/loss for the year	2	<u>592</u>	<u>539</u>
Net profit/loss for the year		<u>45.730</u>	<u>-2.460</u>

Distribution of profit

Proposed distribution of profit

Reserve for net revaluation under the equity method	46.271	0
Retained earnings	<u>-541</u>	<u>-2.460</u>
	<u>45.730</u>	<u>-2.460</u>

Balance Sheet 31 December

Assets

	Note	2017 TDKK	2016 TDKK
Investments in subsidiaries	3	114.271	65.843
Fixed asset investments		114.271	65.843
Fixed assets		114.271	65.843
Deferred tax asset		0	640
Corporation tax		724	0
Receivables		724	640
Cash at bank and in hand		901	446
Currents assets		1.625	1.086
Assets		115.896	66.929

Balance Sheet 31 December

Liabilities and equity

	Note	2017 TDKK	2016 TDKK
Share capital		52	52
Reserve for net revaluation under the equity method		46.271	0
Retained earnings		23.211	23.752
Equity		69.534	23.804
Payables to group enterprises		46.315	43.112
Long-term debt	4	46.315	43.112
Trade payables		47	13
Short-term debt		47	13
Debt		46.362	43.125
Liabilities and equity		115.896	66.929
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Statement of Changes in Equity

	Share capital TDKK	Reserve for net revaluation under the equity method TDKK	Retained earnings TDKK	Total TDKK
Equity at 1 January	52	0	23.752	23.804
Net profit/loss for the year	0	46.271	-541	45.730
Equity at 31 December	52	46.271	23.211	69.534

Cash Flow Statement 1 January - 31 December

	Note	2017 TDKK	2016 TDKK
Net profit/loss for the year		45.730	-2.460
Adjustments	5	-45.814	2.428
Change in working capital	6	34	3
Cash flows from operating activities before financial income and expenses		-50	-29
Financial expenses		-3.206	-2.487
Cash flows from ordinary activities		-3.256	-2.516
Corporation tax paid		508	42
Cash flows from operating activities		-2.748	-2.474
Fixed asset investments made etc		0	-36.400
Cash flows from investing activities		0	-36.400
Raising of loans from group enterprises		3.203	27.486
Cash capital increase		0	11.000
Cash flows from financing activities		3.203	38.486
Change in cash and cash equivalents		455	-388
Cash and cash equivalents at 1 January		446	834
Cash and cash equivalents at 31 December		901	446
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		901	446
Cash and cash equivalents at 31 December		901	446

Notes to the Financial Statements

	2017 TDKK	2016 TDKK
1 Financial expenses		
Interest paid to group enterprises	3.203	2.486
Other financial expenses	4	2
	<u>3.207</u>	<u>2.488</u>
2 Tax on profit/loss for the year		
Current tax for the year	-724	1
Deferred tax for the year	132	-540
	<u>-592</u>	<u>-539</u>
3 Investments in subsidiaries		
Cost at 1 January	68.000	31.600
Additions for the year	0	36.400
Cost at 31 December	<u>68.000</u>	<u>68.000</u>
Value adjustments at 1 January	-2.158	-1.678
Exchange adjustment	0	-479
Net profit/loss for the year	48.429	0
Value adjustments at 31 December	<u>46.271</u>	<u>-2.157</u>
Carrying amount at 31 December	<u>114.271</u>	<u>65.843</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership	Equity	Net profit/loss for the year
CC Copenhagen Residential A/S	Horsens	80%	142.840	60.537
			<u>142.840</u>	<u>60.537</u>

Notes to the Financial Statements

4 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>2017</u> TDKK	<u>2016</u> TDKK
Payables to group enterprises		
Between 1 and 5 years	46.315	43.112
Long-term part	<u>46.315</u>	<u>43.112</u>
Within 1 year	0	0
	<u>46.315</u>	<u>43.112</u>

5 Cash flow statement - adjustments

Financial expenses	3.207	2.488
Income from investments in subsidiaries	-48.429	479
Tax on profit/loss for the year	-592	-539
	<u>-45.814</u>	<u>2.428</u>

6 Cash flow statement - change in working capital

Change in trade payables, etc	<u>34</u>	<u>3</u>
	<u>34</u>	<u>3</u>

Notes to the Financial Statements

7 Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with bankers:

CMNRE CC Copenhagen Residential HoldCo ApS has pledged its shares in a subsidiary (CC Copenhagen Residential A/S) as security for the subsidiary's bank. As of 31 December 2017, the secured debt amounted to TDKK 0.

Contingent liabilities

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of CMNRE Amagerbrogade HoldCo ApS, which is the management company of the joint taxation purposes. Moreover, the Danish 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.

Notes to the Financial Statements

8 Accounting Policies

The Annual Report of CMNRE CC Copenhagen Residential HoldCo ApS for 2017 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 accounting policies applied remain unchanged from last year.

The Financial Statements for 2017 are presented in TDKK.

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.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit/loss

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

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.

Notes to the Financial Statements

8 Accounting Policies (continued)

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

Investments in subsidiaries

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

The item "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 the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

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 the subsidiaries.

Subsidiaries 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.

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.

Notes to the Financial Statements

8 Accounting Policies (continued)

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

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

Cash Flow Statement

The cash flow statement shows the Company's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

Notes to the Financial Statements

8 Accounting Policies (continued)

The cash flow statement cannot be immediately derived from the published financial records.