
CC Copenhagen Residential A/S

Havnen 5, DK-8700 Horsens

Annual Report for 1 January - 31 December 2017

CVR No 35 80 21 42

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 CC Copenhagen Residential A/S 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.

Horsens, 31 May 2018

Executive Board

Michael Mortensen

Board of Directors

Torsten Bjerregaard

Michael Mortensen

Juha Salokoski

Mika Matikainen

Independent Auditor's Report

To the Shareholders of CC Copenhagen Residential A/S

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 CC Copenhagen Residential A/S 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 Financial 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

CC Copenhagen Residential A/S
Havnen 5
DK-8700 Horsens

CVR No: 35 80 21 42
Financial period: 1 January - 31 December
Municipality of reg. office: Horsens

Board of Directors

Torsten Bjerregaard
Michael Mortensen
Juha Salokoski
Mika Matikainen

Executive Board

Michael Mortensen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Herredsvej 32
DK-7100 Vejle

Consolidated Financial Statements

The company is included in the group annual report of CapMan Nordic Real Estate Investment S.á.r.l..

Management's Review

Main activities

The company's object is acquire, develop and sell building plots no. 2, 3 and 5 at Sundmolen, 2100 København Ø.

Development in the year

The income statement of the Company for 2017 shows a profit of TDKK 60,537, and at 31 December 2017 the balance sheet of the Company shows equity of TDKK 142,840.

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

	<u>Note</u>	<u>2017</u> TDKK	<u>2016</u> TDKK
Gross profit/loss		79.598	-785
Financial expenses		-1.865	0
Profit/loss before tax		77.733	-785
Tax on profit/loss for the year	1	-17.196	186
Net profit/loss for the year		60.537	-599

Distribution of profit

Proposed distribution of profit

Retained earnings		60.537	-599
		60.537	-599

Balance Sheet 31 December

Assets

	Note	2017 TDKK	2016 TDKK
Inventories	2	213.771	270.262
Trade receivables		4.063	0
Other receivables		1.416	3.459
Deferred tax asset		0	545
Receivables		5.479	4.004
Cash at bank and in hand		77.766	13.650
Currents assets		297.016	287.916
Assets		297.016	287.916

Balance Sheet 31 December

Liabilities and equity

	Note	2017 TDKK	2016 TDKK
Share capital		85.000	85.000
Retained earnings		57.840	-2.697
Equity	3	142.840	82.303
Provision for deferred tax		355	0
Provisions		355	0
Credit institutions		0	34.967
Trade payables		136.571	163.103
Corporation tax		17.250	0
Deposits		0	7.543
Short-term debt		153.821	205.613
Debt		153.821	205.613
Liabilities and equity		297.016	287.916
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Statement of Changes in Equity

	<u>Share capital</u> TDKK	<u>Retained earnings</u> TDKK	<u>Total</u> TDKK
Equity at 1 January	85.000	-2.697	82.303
Net profit/loss for the year	0	60.537	60.537
Equity at 31 December	85.000	57.840	142.840

Cash Flow Statement 1 January - 31 December

	Note	2017 TDKK	2016 TDKK
Net profit/loss for the year		60.537	-599
Adjustments	4	19.061	-186
Change in working capital	5	20.397	-87.568
Cash flows from operating activities before financial income and expenses		99.995	-88.353
Financial expenses		-1.865	0
Cash flows from ordinary activities		98.130	-88.353
Corporation tax paid		953	235
Cash flows from operating activities		99.083	-88.118
Cash capital increase		0	45.500
Cash flows from financing activities		0	45.500
Change in cash and cash equivalents		99.083	-42.618
Cash and cash equivalents at 1 January		-21.317	21.301
Cash and cash equivalents at 31 December		77.766	-21.317
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		77.766	13.650
Overdraft facility		0	-34.967
Cash and cash equivalents at 31 December		77.766	-21.317

Notes to the Financial Statements

	2017	2016
	TDKK	TDKK
1 Tax on profit/loss for the year		
Current tax for the year	16.296	0
Deferred tax for the year	900	-188
Adjustment of tax concerning previous years	0	2
	<u>17.196</u>	<u>-186</u>

2 Inventories

Work in progress	164.310	270.262
Finished goods and goods for resale	49.461	0
	<u>213.771</u>	<u>270.262</u>

The company has entered into a conditional agreement regarding the purchase of land. The liability is included in trade payables.

3 Equity

The share capital consists of 85,000,000 shares of a nominal value of TDKK 1. No shares carry any special rights.

The share capital has developed as follows:

	2017	2016	2015	2014
	TDKK	TDKK	TDKK	TDKK
Share capital at 1 January	85.000	39.500	5.500	5.500
Capital increase	0	45.500	34.000	0
Capital decrease	0	0	0	0
Share capital at 31 December	<u>85.000</u>	<u>85.000</u>	<u>39.500</u>	<u>5.500</u>

Notes to the Financial Statements

	2017 TDKK	2016 TDKK
4 Cash flow statement - adjustments		
Financial expenses	1.865	0
Tax on profit/loss for the year	17.196	-186
	19.061	-186
5 Cash flow statement - change in working capital		
Change in inventories	56.491	-75.461
Change in receivables	-2.019	-1.125
Change in trade payables, etc	-34.075	-10.982
	20.397	-87.568

6 Contingent assets, liabilities and other financial obligations

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

7 Accounting Policies

The Annual Report of CC Copenhagen Residential A/S 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.

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Property costs

Property costs comprise costs related to building projects recognised proportionate to sales.

Other external expenses

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

Notes to the Financial Statements

7 Accounting Policies (continued)

Gross profit/loss

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

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

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of finished goods and work in progress comprises the cost of building projects, land and construction.

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.

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.

Notes to the Financial Statements

7 Accounting Policies (continued)

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.

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.

Notes to the Financial Statements

7 Accounting Policies (continued)

Cash and cash equivalents

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

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