

CC Copenhagen Residential A/S  
Ove Jensens Alle 35  
8700 Horsens  
Central Business Registration no. 35 80 21 42

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Annual Report  
1 January - 31 December 2016

Adopted at the Annual General Meeting on 31/05 2017

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Juha Salokoski  
Chairman

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## Statement by Management on the annual report

The Executive and Supervisory Boards have today discussed and approved the annual report of CC Copenhagen Residential A/S for the financial year 1 January - 31 December 2016.

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

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2016 and of the results of the the Company's operations and cash flows for the financial year 1 January - 31 December 2016.

In our opinion, Management's review includes a fair review of the matters dealt with in the Management's review

We recommend the adoption of the annual report at the annual general meeting.

Horsens, 4 May 2017

### **Executive Board**

Michael Mortensen

### **Supervisory Board**

Michael Mortensen

Torsten Bjerregaard

Juha Salokoski

Mika Matikainen

## Independent auditor's report

To the shareholders of CC Copenhagen Residential A/S

### Opinion

We have audited the financial statements of CC Copenhagen Residential A/S for the financial year 1 January - 31 December 2016, which comprise an income statement, balance sheet, statement of changes in equity, cash flow statement, notes and summary of significant accounting policies, including a summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2016 and of the results of the Company's and cash flows operations for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

### 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.

### 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 judgment and maintain professional skepticism throughout the audit. We also:

## Independent auditor's report

- 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.
- 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.

### **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.

## Independent auditor's report

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, we conclude that Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Trekantområdet, 4 May 2017

### **PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab  
CVR-nr. 33 77 12 31

Jesper Wiinholt  
State Authorised Public Accountant

John Lindholm Bode  
State Authorised Public Accountant

## Company details

### **The Company**

CC Copenhagen Residential A/S  
Ove Jensens Alle 35  
8700 Horsens

Central Business Registration no.: 35 80 21 42  
Reporting period: 1 January - 31 December  
Incorporated: 13. March 2014  
Financial year: 3rd financial year  
Domicile: Horsens

### **Supervisory Board**

Michael Mortensen  
Torsten Bjerregaard  
Juha Salokoski  
Mika Matikainen

### **Executive Board**

Michael Mortensen

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Herredsvej 32  
7100 Vejle

### **Koncernregnskab**

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

## Management's review

### **Business activities**

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

### **Business review**

The Company's income statement for the year ended 31 December shows a loss of DKK 599.370, and the balance sheet at 31 December 2016 shows equity of DKK 82.302.921.

### **Significant events occurring after end of reporting period**

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>2016</u> DKK	<u>2015</u> DKK
<b>Gross profit</b>		<b>-784.661</b>	<b>-2.683.074</b>
Financial income		<u>0</u>	<u>290</u>
<b>Profit/loss before tax</b>		<b>-784.661</b>	<b>-2.682.784</b>
Tax on profit/loss for the year	1	<u>185.291</u>	<u>592.325</u>
<b>Net profit/loss for the year</b>		<b><u><u>-599.370</u></u></b>	<b><u><u>-2.090.459</u></u></b>
Retained earnings		<u>-599.370</u>	<u>-2.090.459</u>
		<b><u><u>-599.370</u></u></b>	<b><u><u>-2.090.459</u></u></b>

## Balance sheet 31 December

	<u>Note</u>	<u>2016</u> DKK	<u>2015</u> DKK
<b>Assets</b>			
<b>Stocks</b>	2	<b><u>270.262.110</u></b>	<b><u>194.801.098</u></b>
Other receivables		3.459.225	2.333.726
Deferred tax asset		544.784	592.325
Corporation tax		<u>0</u>	<u>2.352</u>
<b>Receivables</b>		<b><u>4.004.009</u></b>	<b><u>2.928.403</u></b>
<b>Cash at bank and in hand</b>		<b><u>13.650.115</u></b>	<b><u>21.301.250</u></b>
<b>Current assets total</b>		<b><u>287.916.234</u></b>	<b><u>219.030.751</u></b>
<b>Assets total</b>		<b><u><u>287.916.234</u></u></b>	<b><u><u>219.030.751</u></u></b>

## Balance sheet 31 December

	<u>Note</u>	<u>2016</u> DKK	<u>2015</u> DKK
<b>Liabilities and equity</b>			
Share capital		85.000.000	39.500.000
Retained earnings		<u>-2.697.079</u>	<u>-2.097.709</u>
<b>Equity total</b>	3	<b><u>82.302.921</u></b>	<b><u>37.402.291</u></b>
Banks		34.967.465	0
Trade payables		163.103.225	181.628.460
Deposits		<u>7.542.623</u>	<u>0</u>
<b>Short-term debt</b>		<b><u>205.613.313</u></b>	<b><u>181.628.460</u></b>
<b>Debt total</b>		<b><u>205.613.313</u></b>	<b><u>181.628.460</u></b>
<b>Liabilities and equity total</b>		<b><u>287.916.234</u></b>	<b><u>219.030.751</u></b>
Contingent assets, liabilities and other financial obligations	4		
Charges and securities	5		

## Equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2016	39.500.000	-2.097.709	37.402.291
Cash capital increase	45.500.000	0	45.500.000
Net profit/loss for the year	0	-599.370	-599.370
<b>Equity at 31 December 2016</b>	<b><u>85.000.000</u></b>	<b><u>-2.697.079</u></b>	<b><u>82.302.921</u></b>

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1. januar 2015	5.500.000	-7.250	5.492.750
Cash capital increase	34.000.000	0	34.000.000
Net profit/loss for the year	0	-2.090.459	-2.090.459
<b>Equity 31. december 2015</b>	<b><u>39.500.000</u></b>	<b><u>-2.097.709</u></b>	<b><u>37.402.291</u></b>

## Cash flow statement 1 January - 31 December

	<u>Note</u>	<u>2016</u> DKK	<u>2015</u> DKK
Net profit/loss for the year		-599.370	-2.090.459
Adjustments	6	-185.291	-592.615
Change in working capital	7	<u>-87.569.123</u>	<u>-11.539.850</u>
<b>Cash flows from operating activities before financial income and expenses</b>		<b>-88.353.784</b>	<b>-14.222.924</b>
Interest income and similar income		<u>0</u>	<u>290</u>
<b>Cash flows from ordinary activities</b>		<b>-88.353.784</b>	<b>-14.222.634</b>
Corporation tax paid		<u>235.184</u>	<u>0</u>
<b>Cash flows from operating activities</b>		<b>-88.118.600</b>	<b>-14.222.634</b>
Cash capital increase		<u>45.500.000</u>	<u>34.000.000</u>
<b>Cash flows from financing activities</b>		<b>45.500.000</b>	<b>34.000.000</b>
<b>Change in cash and cash equivalents</b>		<b>-42.618.600</b>	<b>19.777.366</b>
Cash and cash equivalents at 1 January 2016		<u>21.301.250</u>	<u>1.523.884</u>
<b>Cash and cash equivalents at 31 December 2016</b>		<b><u>-21.317.350</u></b>	<b><u>21.301.250</u></b>
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		13.650.115	21.301.250
Overdraft facility		<u>-34.967.465</u>	<u>0</u>
<b>Cash and cash equivalents at 31 December 2016</b>		<b><u>-21.317.350</u></b>	<b><u>21.301.250</u></b>

## Notes to the Annual Report

	2016	2015
	DKK	DKK
<b>1 Tax on profit/loss for the year</b>		
Deferred tax for the year	-187.643	-592.325
Adjustment of tax concerning previous years	2.352	0
	<b>-185.291</b>	<b>-592.325</b>

<b>2 Stocks</b>		
Work in progress	270.262.110	194.801.098
	<b>270.262.110</b>	<b>194.801.098</b>

Land is part of work in progress with following amount

	146.997.850	174.700.813
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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 DKK 1. No shares carry any special rights. The share capital has developed as follows:

	2016	2015	2014
	DKK	DKK	DKK
Share capital at 1 January 2016	39.500.000	5.500.000	5.500.000
Additions for the year	45.500.000	34.000.000	0
<b>Share capital</b>	<b>85.000.000</b>	<b>39.500.000</b>	<b>5.500.000</b>

### 4 Contingent assets, liabilities and other financial obligations

The company is jointly taxed with CMNRE Amagerbrogade HoldCo ApS, which is the management company in relation to the joint taxation. The company is jointly limited and alternatively with other jointly taxed companies for payment of corporation tax withholding tax on dividends, interest and royalties.

## Notes to the Annual Report

### 5 Charges and securities

As security for the company's bank, CC Copenhagen Residential A/S has pledged escrow accounts and assigned payment guarantees issued on behalf of the buyers of dwellings under construction on the company's property. As of 31 December 2016, the secured debt amounted to DKK 34.967.465.

	<u>2016</u>	<u>2015</u>
	DKK	DKK
<b>6 Cash flow statement - adjustments</b>		
Financial income	0	-290
Tax on profit/loss for the year	<u>-185.291</u>	<u>-592.325</u>
	<b><u>-185.291</u></b>	<b><u>-592.615</u></b>
<b>7 Cash flow statement - change in working capital</b>		
Change in inventories	-75.461.012	-190.509.154
Change in receivables	-1.125.499	-1.261.490
Change in trade payables, etc.	<u>-10.982.612</u>	<u>180.230.794</u>
	<b><u>-87.569.123</u></b>	<b><u>-11.539.850</u></b>

## Accounting policies

The annual report of CC Copenhagen Residential A/S 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 provisions as regards larger entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2016 is presented in DKK

### **Income statement**

#### **Gross profit**

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less raw materials and consumables and other external expenses.

#### **Other external expenses**

Other external expenses include expenses related to distribution, sale, advertising, administration and premises.

#### **Financial income and expenses**

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses and allowances under the advance-payment-of-tax scheme, etc.

#### **Tax on profit/loss for the year**

The company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

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

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, including changes arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to entries directly in equity.



## Accounting policies

### Balance sheet

#### Stocks

Stocks are measured using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

#### Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss allowed for carry forward are measured at the value to which the asset is expected to be realised, either by elimination in tax on future income or by offsetting against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

#### Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

#### Cash flow statement

The cash flow statement shows the company's cash flows for the year, broken down under cash flows from operating, investing and financing activities, the year's changes in cash and cash equivalents and the company's cash and cash equivalents at the beginning and at the end of the year.

The cash flow effect of additions and disposals of entities is shown separately under cash flows from investing activities. The cash flow statement includes cash flows from acquired entities from the time of acquisition, and cash flows from sold entities are included until the date of sale.

#### Cash flows from operating activities

Cash flows from operating activities are stated as the profit or loss for the year, adjusted for non-cash operating items, changes in working capital and paid income taxes.

## Accounting policies

### **Cash flows from investing activities**

Cash flows from investing activities comprise payments related to the acquisition and sale of entities and activities, intangible assets, property, plant and equipment and investments.

### **Cash flows from financing activities**

Cash flows from financing activities comprise changes in the size or composition of the share capital and related costs, as well as the raising of loans, repayment of interest-bearing debt and payment of dividends to shareholders.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash, overdraft facility and short-term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.