
CMNRE Prime Residential HoldCo ApS

Havnegade 39, DK-1058 København K

Annual Report for 1 January - 31 December 2015

CVR No 35 85 29 21

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
31/5 2016

Morten Sennecker Schultz
Chairman



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Management's Statement

The Executive and Supervisory Boards have today considered and adopted the Annual Report of CMNRE Prime Residential HoldCo ApS for the financial year 1 January - 31 December 2015.

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 2015 of the Company and of the results of the Company operations for 2015.

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, 31 May 2016

Executive Board

Morten Sennecker Schultz

Board of Directors

Torsten Bjerregaard
Chairman

Morten Sennecker Schultz

Juha Matti Salokoski

Mika Markus Matikainen

Independent Auditor's Report on the Financial Statements

To the Shareholder of CMNRE Prime Residential HoldCo ApS

Report on the Financial Statements

We have audited the Financial Statements of CMNRE Prime Residential HoldCo ApS for the financial year 1 January - 31 December 2015, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. 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 as 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 whether the Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, 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 audit opinion.

Our audit has not resulted in any qualification.

Opinion

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

Independent Auditor's Report on the Financial Statements

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review is in accordance with the Financial Statements.

Hellerup, 31 May 2016

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 Prime Residential HoldCo ApS
Havnegade 39
DK-1058 København K

CVR No: 35 85 29 21
Financial period: 1 January - 31 December
Incorporated: 13 May 2014
Financial year: 2nd financial year
Municipality of reg. office: København

Board of Directors

Torsten Bjerregaard, Chairman
Morten Sennecker Schultz
Juha Matti Salokoski
Mika Markus Matikainen

Executive Board

Morten Sennecker Schultz

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Financial Statements of CMNRE Prime Residential HoldCo ApS for 2015 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 2015 shows a profit of DKK 40,317,129, and at 31 December 2015 the balance sheet of the Company shows equity of DKK 84,901,079.

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>	2015 12 mth DKK	2014 6 mth DKK
Income from investments in subsidiaries	1	39.896.432	-3.695.400
Other external expenses		<u>-23.252</u>	<u>-17.740</u>
Gross profit/loss		39.873.180	-3.713.140
Other financial income	2	2.144.671	1.322.059
Other financial expenses	3	<u>-1.571.157</u>	<u>-1.322.061</u>
Profit/loss before tax		40.446.694	-3.713.142
Tax on profit/loss for the year	4	<u>-129.565</u>	<u>4.169</u>
Net profit/loss for the year		<u>40.317.129</u>	<u>-3.708.973</u>

Distribution of profit

Proposed distribution of profit

Proposed dividend for the year	0	0
Reserve for net revaluation under the equity method	36.201.032	0
Retained earnings	<u>4.116.097</u>	<u>-3.708.973</u>
	<u>40.317.129</u>	<u>-3.708.973</u>

Balance Sheet 31 December

Assets

	Note	2015 DKK	2014 DKK
Investments in subsidiaries	5	77.323.249	37.399.787
Receivables from group enterprises		26.441.152	26.441.152
Fixed asset investments		103.764.401	63.840.939
Fixed assets		103.764.401	63.840.939
Receivables from group enterprises		3.466.730	1.322.059
Deferred tax asset		0	4.169
Receivables		3.466.730	1.326.228
Cash at bank and in hand		59.006	83.946
Currents assets		3.525.736	1.410.174
Assets		107.290.137	65.251.113

Balance Sheet 31 December

Liabilities and equity

	Note	2015 DKK	2014 DKK
Share capital		52.000	52.000
Reserve for net revaluation under the equity method		36.228.062	0
Retained earnings		48.621.017	44.504.920
Equity	6	84.901.079	44.556.920
Payables to group enterprises		22.263.662	19.370.446
Long-term debt	7	22.263.662	19.370.446
Trade payables		0	1.688
Payables to group enterprises	7	0	1.322.059
Corporation tax		125.396	0
Short-term debt		125.396	1.323.747
Debt		22.389.058	20.694.193
Liabilities and equity		107.290.137	65.251.113
Related parties and ownership	8		

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	52.000	0	44.504.920	44.556.920
Net effect from change of accounting policy	0	27.030	0	27.030
Adjusted equity at 1 January	52.000	27.030	44.504.920	44.583.950
Net profit/loss for the year	0	36.201.032	4.116.097	40.317.129
Equity at 31 December	52.000	36.228.062	48.621.017	84.901.079

Notes to the Financial Statements

	2015 12 mth <u>DKK</u>	2014 6 mth <u>DKK</u>
1 Income from investments in subsidiaries		
Share of profits of subsidiaries	39.896.432	0
Share of losses of subsidiaries	<u>0</u>	<u>-3.695.400</u>
	<u>39.896.432</u>	<u>-3.695.400</u>
2 Other financial income		
Interest received from group enterprises	<u>2.144.671</u>	<u>1.322.059</u>
	<u>2.144.671</u>	<u>1.322.059</u>
3 Other financial expenses		
Interest paid to group enterprises	1.571.157	1.322.059
Other financial expenses	<u>0</u>	<u>2</u>
	<u>1.571.157</u>	<u>1.322.061</u>
4 Tax on profit/loss for the year		
Current tax for the year	125.396	0
Deferred tax for the year	<u>4.169</u>	<u>-4.169</u>
	<u>129.565</u>	<u>-4.169</u>

Notes to the Financial Statements

	2015 DKK	2014 DKK
5 Investments in subsidiaries		
Cost at 1 January	41.095.187	0
Additions for the year	<u>0</u>	<u>41.095.187</u>
Cost at 31 December	<u>41.095.187</u>	<u>41.095.187</u>
Value adjustments at 1 January	-3.695.400	0
Net effect from change of accounting policy	27.030	0
Net profit/loss for the year	0	-3.695.400
Revaluations for the year, net	<u>39.896.432</u>	<u>0</u>
Value adjustments at 31 December	<u>36.228.062</u>	<u>-3.695.400</u>
Carrying amount at 31 December	<u>77.323.249</u>	<u>37.399.787</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit/loss for the year
CMNRE					
Hermanhus PropCo ApS	Copenhagen	51.000	100%	41.148.404	26.624.797
CMNRE					
Kanalhuset PropCo ApS	Copenhagen	51.000	100%	36.174.845	13.271.635
				<u>77.323.249</u>	<u>39.896.432</u>

Notes to the Financial Statements

6 Equity

The share capital is broken down as follow:

	<u>Number</u>	<u>Nominal value</u> DKK
A-shares	46.800	46.800
B-shares	5.200	5.200
		<u>52.000</u>

The share capital has developed as follows:

	<u>2015</u> DKK	<u>2014</u> DKK
Share capital at 1 January	52.000	50.000
Capital increase	0	2.000
Capital decrease	0	0
Share capital at 31 December	<u>52.000</u>	<u>52.000</u>

7 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:

Payables to group enterprises

After 5 years	<u>22.263.662</u>	<u>19.370.446</u>
Long-term part	22.263.662	19.370.446
Other short-term debt to group enterprises	0	1.322.059
	<u>22.263.662</u>	<u>20.692.505</u>

Notes to the Financial Statements

8 Related parties and ownership

Transactions

There have been no transactions with the Supervisory Board, the Executive Board, significant shareholders, group enterprises or other related parties, except for intercompany transactions.

Consolidated Financial Statements

The Company is a part of the Group Annual Report of CapMan Nordic Real Estate FCP-SIF.

The Group Annual Report may be obtained at the following address:

CapMan Nordic Real Estate FCP-SIF
rue Robert Stümper 7A
L-2557 Luxembourg
Luxembourg

Accounting Policies

Basis of Preparation

The Annual Report of CMNRE Prime Residential HoldCo ApS for 2015 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 2015 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. Gains and losses 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 transaction date rates are recognised in financial income and expenses in the income statement.

Accounting Policies

Income Statement

Other external expenses

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

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 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 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 the subsidiaries.

Accounting Policies

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.

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

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