CMNRE VBG80 PropCo ApS

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

Annual Report for 1 January - 31 December 2017

CVR No 36 89 24 55

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 9 /5 2018

Maja Hesselberg
Chairman

Contents

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of CMNRE VBG80 PropCo 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 for 2017.

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, 19 April 2018

Executive Board

Morten Sennecker Schultz
Executive Officer

Board of Directors

Torsten Bjerregaard Chairman	Juha Salokoski	Mika Matikainen

Morten Sennecker Schultz

Independent Auditor's Report

To the Shareholder of CMNRE VBG80 PropCo 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 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 VBG80 PropCo ApS for the financial year 1 January - 31 December 2017, 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.

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 misstate-

ment, 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.

- 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, 19 April 2018
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Jesper Wiinholt
State Authorised Public Accountant
mne13914

Maj-Britt Nørskov Nannestad
State Authorised Public Accountant
mne32198

Company Information

The Company	CMNRE VBG80 PropCo ApS c/o Keystone Investment Management A/S Havnegade 39 DK-1058 Copenhagen K CVR No: 36 89 24 55 Financial period: 1 January - 31 December Incorporated: 11 May 2015 Financial year: 3rd financial year Municipality of reg. office: Copenhagen
Board of Directors	Torsten Bjerregaard, Chairman Juha Salokoski Mika Matikainen Morten Sennecker Schultz
Executive Board	Morten Sennecker Schultz
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Management's Review

Financial Statements of CMNRE VBG80 PropCo 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 Annual Report has been prepared under the same accounting policies as last year.

Key activities

The purpose of the Company is to buy and operate real estate.

Development in the year

The income statement of the Company for 2017 shows a profit of DKK 2,323,081, of which value adjustments amount to DKK 3,465,360, and at 31 December 2017 the balance sheet of the Company shows equity of DKK 31,985,575.

Uncertainty relating to recognition and measurement

As the company is engaged in development of investment properties, the Company is affected by changes in the property market, including the general level of interest rates and economic conditions. For a description of significant assumptions for the fair value recognition as 31 December 2017 and a sensitivity analysis of the uncertainties in the calculation of fair value, please refer to note 3.

Unusual events

The financial position at 31 December 2017 of the Company and the results of the activities of the Company for the financial year for 2017 have not been affected by any unusual events.

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	2017	2016
		DKK	DKK
Gross profit/loss before value adjustments		**4.031.337**	**4.505.433**
Value adjustments of assets held for investment		3.465.360	-7.252.709
Gross profit/loss after value adjustments		**7.496.697**	**-2.747.276**
Financial expenses	1	-4.518.390	-4.512.202
Profit/loss before tax		**2.978.307**	**-7.259.478**
Tax on profit/loss for the year	2	-655.226	1.666.273
Net profit/loss for the year		**2.323.081**	**-5.593.205**

Distribution of profit

Proposed distribution of profit		
Retained earnings	2.323.081	-5.593.205
	2.323.081	**-5.593.205**

Balance Sheet 31 December

Assets

	Note	2017	2016
		DKK	DKK
Investment properties		166.600.000	159.200.000
Property, plant and equipment	3	**166.600.000**	**159.200.000**
Fixed assets		**166.600.000**	**159.200.000**
Other receivables		218.936	51.073
Corporation tax receivable from group enterprises		370.964	803.750
Prepayments		27.000	39.746
Receivables		**616.900**	**894.569**
Cash at bank and in hand		**3.139.182**	**5.468.242**
Currents assets		**3.756.082**	**6.362.811**
Assets		**170.356.082**	**165.562.811**

Balance Sheet 31 December

Liabilities and equity

	Note	2017	2016
		DKK	DKK
Share capital		51.000	51.000
Retained earnings		31.934.575	29.159.868
Equity		**31.985.575**	**29.210.868**
Provision for deferred tax		1.607.451	454.682
Other provisions		77.502	143.920
Provisions		**1.684.953**	**598.602**
Mortgage loans		102.269.399	103.311.423
Payables to group enterprises		28.489.134	26.577.211
Long-term debt	4	**130.758.533**	**129.888.634**
Mortgage loans	4	1.043.807	660.845
Trade payables		253.097	174.781
Other payables	5	4.630.117	5.029.081
Short-term debt		**5.927.021**	**5.864.707**
Debt		**136.685.554**	**135.753.341**
Liabilities and equity		**170.356.082**	**165.562.811**
Contingent assets, liabilities and other financial obligations	6		
Related parties	7		
Accounting Policies	8		

Statement of Changes in Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	51.000	29.159.868	29.210.868
Fair value adjustment of financial instruments, beginning of year	0	2.946.047	2.946.047
Fair value adjustment of financial instruments, end of year	0	-2.367.039	-2.367.039
Tax on adjustment of financial instruments for the year	0	-127.382	-127.382
Net profit/loss for the year	0	2.323.081	2.323.081
Equity at 31 December	**51.000**	**31.934.575**	**31.985.575**

Notes to the Financial Statements

		2017	2016
		DKK	DKK
1	**Financial expenses**		
	Interest paid to group enterprises	1.911.923	1.917.162
	Other financial expenses	2.606.467	2.595.040
		4.518.390	**4.512.202**
2	**Tax on profit/loss for the year**		
	Current tax for the year	-370.162	-2.575.637
	Deferred tax for the year	1.152.770	909.364
		782.608	**-1.666.273**
	which breaks down as follows:		
	Tax on profit/loss for the year	655.226	-1.666.273
	Tax on changes in equity	127.382	0
		782.608	**-1.666.273**

3 Assets measured at fair value

	Investment properties
	DKK
Cost at 1 January	160.113.054
Additions for the year	6.867.020
Disposals for the year	-2.932.379
Cost at 31 December	164.047.695
Value adjustments at 1 January	-913.054
Revaluations for the year	3.465.359
Value adjustments at 31 December	2.552.305
Carrying amount at 31 December	**166.600.000**

Notes to the Financial Statements

3 Assets measured at fair value (fortsat)

Assumptions underlying the determination of fair value of investment properties

The Company's investment property is 47% residential and 53% commercial.

The investment property is located in the area of Copenhagen.

The property is valued based on forecasts for furture cash flows that the individual property is expected to generate, expected CAPEX investments and development in vacancy.

The fair value of the property has been calculated based on the following assumptions:

	2017	2016
	DKK	DKK
The fair value of investment properties amounts to	166.600.000	159.200.000
Budget period	11 years	11 years
Increase in market rent	4,49%	2,00%
Expected idle rent in % of rental income	0,93%	0,00%
Change in operating expenses	1,09%	1,50%
Maintenance costs in % of rental income	23,39%	32,38%
Rate of return	4,15%	3,75%
Inflation	1,50%	1,50%
Discount rate	5,65%	5,25%

Sensitivity in determination of fair value of investment properties

A weighted rate of return of 4,15% has been applied in the market value assessment at 31 December 2017.

Changes in estimated required rate of return for investment properties will affect the value of investment properties recognized in the balance sheet as well as value adjustments carried in the income statement.

Changes in rate of return	-0,5 %	Base	0,5 %
	DKK	DKK	DKK
Rate of return	3,65	4,15	4,65
Fair value	189.421.918	166.600.000	148.686.022
Change in fair value	22.821.918	0	-17.913.978

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:

	2017	2016
	DKK	DKK
Mortgage loans		
Between 1 and 5 years	102.269.399	103.311.423
Long-term part	102.269.399	103.311.423
Within 1 year	1.043.807	660.845
	103.313.206	**103.972.268**
Payables to group enterprises		
Between 1 and 5 years	28.489.134	26.577.211
Long-term part	28.489.134	26.577.211
Within 1 year	0	0
	28.489.134	**26.577.211**

5 Interest rate swap

Interest rate swap have been entered into to hedge future interest payments on floating-rate loan. The swap have a term of 60 months. Through the swap, an interest rate of CIBOR 0,3750% is swapped for a fixed interest rate of 0,958% on a loan with a principal amount of 105.967.500. The interest swap have been entered into for the total term to maturity of the loan, which is 2 years. The fair value of interest rate swap at the balance sheet date amounts to 2.367.039, which has been recognised in other receivables/other payables.

	2017	2016
	DKK	DKK
6 Contingent assets, liabilities and other financial obligations		
Charges and security		
The following assets have been placed as security with mortgage credit institutes:		
Investment properties with a carrying amount of DKK	166.600.000	159.200.000

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.

7 Related parties

	Basis

Ownership

The following shareholder is recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

CMNRE VBG80 HoldCo ApS, CVR-nr. 36 89 22 93, 100%

Consolidated Financial Statements

The company is included in the consolidated report for the ultimate parent.

Name	Place of registered office
CapMan Nordic Real Estate S.á.r.l	Luxembourg

The Group Annual Report of CapMan Nordic Real Estate S.á.r.l may be obtained at the following address:

7A, rue Robert Stúmper, 2557 Luxembourg

Notes to the Financial Statements

8 Accounting Policies

The Annual Report of CMNRE VBG80 PropCo 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 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. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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.

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of

Notes to the Financial Statements

8 Accounting Policies (continued)

expected future transactions are recognised in retained earnings under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

Income Statement

Gross profit/loss after value adjustments

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

Revenue

Rental income is recognised on a straight line-basis over the term of the lease.

Expenses concerning investment properties

Expenses concerning investment properties primarily include operating expenses 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 affiliated companies. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Notes to the Financial Statements

8 Accounting Policies (continued)

Balance Sheet

Investment properties

In Management's opinion the classification of the properties as investment properties did not cause any difficulties.

Fair value is the amount for which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction on the balance sheet date. The determination of fair value involves material accounting estimates.

In Management's opinion it has not been possible this year to determine fair value through market information, and, consequently, valuation has been made based on a recognised valuation technique.

The fair value of investment properties has been determined at 31 December 2017 for each property by using a Discounted Cash Flow model under which expected future cash flows are discounted to present value. The calculations are based on property budgets for the coming years. Allowance has been made for developments in rentals, vacancies, operating expenses, maintenance and administration, etc. The individual, budgeted cash flows are discounted at an individually fixed discount rate added a terminal value. The value thus calculated is adjusted for any non-operating assets such as cash and cash equivalents, deposits, etc if they are not shown separately in the balance sheet.

The fair value of investment properties has been assessed by the independent assessor at 31 December 2017.

The estimates applied are based on information and assumptions considered reasonable by Management but which are inherently uncertain and unpredictable. Actual events or circumstances will probably differ from the assumptions made in the calculations as often assumed events do not occur as expected. Such difference may be material. The assumptions applied are disclosed in the notes.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Receivables

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

Notes to the Financial Statements

8 Accounting Policies (continued)

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

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.

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

Loans, such as mortgage loans and loans from credit institutions, 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.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the

Notes to the Financial Statements

8 **Accounting Policies** (continued)

loan made over the term of the loan at the date of raising the loan.

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