



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 996 713 237
Organisasjonsform: Aksjeselskap
Foretaksnavn: C5 EIENDOM AS
Forretningsadresse: c/o Kvale Advokatarfirma DA
Haakon VIIs gate 10
0161 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Ja
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Forenklet IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Carl Christian Marthinussen
Dato for fastsettelse av årsregnskapet: 16.07.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 22.07.2022



Resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	3	38 044 068	37 443 781
Sum inntekter		38 044 068	37 443 781
Kostnader			
Annen driftskostnad	5	3 302 788	3 229 090
Changes in fair value of investment property	8	10 000 000	-10 000 000
Sum kostnader		13 302 788	-6 770 910
Driftsresultat		24 741 280	44 214 691
Finansinntekter og finanskostnader			
Annen renteinntekt	6	288 765	777 369
Sum finansinntekter		288 765	777 369
Annen rentekostnad	6	15 752 000	15 752 000
Annen finanskostnad	6	-14 112	8 558
Sum finanskostnader		15 737 888	15 760 558
Netto finans		-15 449 123	-14 983 189
Ordinært resultat før skattekostnad		9 292 157	29 231 502
Skattekostnad på ordinært resultat	7	36 254	48 282
Ordinært resultat etter skattekostnad		9 255 903	29 183 220
Årsresultat		9 255 903	29 183 220
Overføringer og disponeringer			
Ordinært utbytte		19 249 560	18 137 790
Owners of the company		92 559	291 832
Silent intrest		-10 086 216	10 753 598
Sum overføringer og disponeringer		9 255 903	29 183 220



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Tomter, bygninger og annen fast eiendom	8	600 000 000	610 000 000
Sum varige driftsmidler		600 000 000	610 000 000
Sum anleggsmidler		600 000 000	610 000 000
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer	9,14	160 154	245 485
Andre fordringer	9,14	3 876 919	3 814 390
Sum fordringer		4 037 073	4 059 875
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	10	46 436 884	46 512 998
Sum bankinnskudd, kontanter og lignende		46 436 884	46 512 998
Sum omløpsmidler		50 473 957	50 572 873
SUM EIENDELER		650 473 957	660 572 873
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	11	300 000	300 000
Other Equity		3 116 855	3 024 296
Silent Contribution		240 612 870	250 699 086
Sum innskutt egenkapital		244 029 725	254 023 382



Balanse

Beløp i: NOK	Note	2020	2019
Sum egenkapital		244 029 725	254 023 382
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Obligasjonslån	12,14		358 000 000
Langsiktig konserngjeld	12,14		15 000 000
Sum annen langsiktig gjeld			373 000 000
Sum langsiktig gjeld		0	373 000 000
Kortsiktig gjeld			
Leverandørgjeld	13,14	4 451 978	4 381 044
Betalbar skatt	7	35 942	48 282
Utbytte	14,15	19 249 560	18 137 790
Kortsiktig konserngjeld	12,13, 14,15	15 000 000	500 000
Bond debt	12,13, 14	358 000 000	
Deferred income	13	9 706 752	10 482 375
Sum kortsiktig gjeld		406 444 232	33 549 491
Sum gjeld		406 444 232	406 549 491
SUM EGENKAPITAL OG GJELD		650 473 957	660 572 873



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Journalnummer: 2021 631214

Enheten

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Organisasjonsform: Aksjeselskap
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Benyttet ved utarbeidelsen av
årsregnskapet til selskapet: Forenklet IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Carl Christian Marthinussen
Dato for fastsettelse av årsregnskapet: 16.07.2021

Revisjon

Årsregnskapet er utarbeidet av ekstern
autorisert regnskapsfører: Ja
Ekstern autorisert regnskapsfører har i
løpet av regnskapsåret bistått ved den
løpende regnskapsføringen eller utført
andre tjenester for selskapet enn å
utarbeide årsregnskapet: Ja

Grunnlag for avgivelse

År 2020: Årsregnskap er elektronisk innlevert.
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020.

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 19.08.2021

Brønnøysundregistrene
Postadresse: Postboks 900, 8910 Brønnøysund
Telefon: 75 00 75 00
E-post: firmapost@brreg.no Internett: www.brreg.no
Organisasjonsnummer: 974 760 673



Organisasjonsnr: 996 713 237
C5 EIENDOM AS

RESULTATREGNSKAP

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	3	38 044 068	37 443 781
Sum inntekter		38 044 068	37 443 781
Kostnader			
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Organisasjonsnr: 996 713 237
C5 EIENDOM AS

BALANSE

Beløp i: NOK Note 2020 2019

BALANSE - EIENDELER

Anleggsmidler Immaterielle eiendeler

Varige driftsmidler

Tomter, bygninger og annen fast eiendom	8	600 000 000	610 000 000
Sum varige driftsmidler		600 000 000	610 000 000

Sum anleggsmidler		600 000 000	610 000 000
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Omløpsmidler

Varer

Fordringer

Kundefordringer	9,14	160 154	245 485
Andre fordringer	9,14	3 876 919	3 814 390
Sum fordringer		4 037 073	4 059 875

Bankinnskudd, kontanter og lignende

Bankinnskudd, kontanter og lignende	10	46 436 884	46 512 998
Sum bankinnskudd, kontanter og lignende		46 436 884	46 512 998

Sum omløpsmidler		50 473 957	50 572 873
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SUM EIENDELER		650 473 957	660 572 873
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BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Selskapskapital	11	300 000	300 000
Other Equity		3 116 855	3 024 296
Silent Contribution		240 612 870	250 699 086
Sum innskutt egenkapital		244 029 725	254 023 382

Sum egenkapital		244 029 725	254 023 382
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Gjeld

Langsiktig gjeld

Annen langsiktig gjeld

Obligasjonslån	12,14		358 000 000
Langsiktig konserngjeld	12,14		15 000 000
Sum annen langsiktig gjeld			373 000 000



Sum langsiktig gjeld		0	373 000 000
Kortsiktig gjeld			
Leverandørgjeld	13,14	4 451 978	4 381 044
Betalbar skatt	7	35 942	48 282
Utbytte	14,15	19 249 560	18 137 790
Kortsiktig konserngjeld	12,13,14,	15 000 000	500 000
Bond debt	12,13,14	358 000 000	
Deferred income	13	9 706 752	10 482 375
Sum kortsiktig gjeld		406 444 232	33 549 491
Sum gjeld		406 444 232	406 549 491
SUM EGENKAPITAL OG GJELD		650 473 957	660 572 873



Organisasjonsnr: 996 713 237
C5 EIENDOM AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note

Antall årsverk i regnskapsåret

Virksomheten har hatt følgende antall årsverk:
0.00



To the General Meeting of C5 Eiendom AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of C5 Eiendom AS, which comprise the statement of financial position as at 31 December 2020, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards 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 as required by laws and regulations, 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.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors (management) is responsible for the preparation and a true and fair view of the financial statements in accordance with simplified application of International Accounting Standards according to the Norwegian Accounting Act section 3-9, 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 unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

PricewaterhouseCoopers AS, Dronning Eufemias gate 71, Postboks 748 Sentrum, NO-0106 Oslo
T: 02316, org. no.: 987 009 713 VAT, www.pwc.no
State authorised public accountants, members of The Norwegian Institute of Public Accountants, and authorised accounting firm



Independent Auditor's Report – C5 Eiendom AS



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 laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to <https://revisorforeningen.no/revisjonsberetninger>

Report on Other Legal and Regulatory Requirements

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 16 July 2021
PricewaterhouseCoopers AS

Erik Andersen
State Authorised Public Accountant

(This document is signed electronically)

(2)



 Securely signed with Brevio

Revisjonsberetning

Signers:

Name	Method	Date
Andersen, Erik	BANKID_MOBILE	2021-07-16 10:45

This document package contains:

- Closing page (this page)
- The original document(s)
- The electronic signatures. These are not visible in the document, but are electronically integrated.



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The seal is a guarantee for the authenticity
of the document.



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C5 Eiendom AS

FINANCIAL STATEMENTS

For the year ended 31 December 2020



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C5 Eiendom AS org. no. 996 713 237

STATEMENT OF PROFIT OR LOSS
for the year ended 31 December 2020
in NOK

	Notes	2020	2019
Revenue	3	38 044 068	37 443 781
Operating expenses			
Other operating expenses	5	(3 302 788)	(3 229 090)
Total operating expenses		(3 302 788)	(3 229 090)
Operating profit before changes in fair value		34 741 280	34 214 691
Changes in fair value of investment property	8	(10 000 000)	10 000 000
Operating profit/(loss)		24 741 280	44 214 691
Financial items			
Interest income	6	288 765	777 369
Interest expense	6	(15 752 000)	(15 752 000)
Other financial expenses	6	14 112	(8 558)
Net financial items		(15 449 123)	(14 983 189)
Profit/(Loss) before income tax		9 292 157	29 231 502
Income tax expense	7	(36 254)	(48 282)
Profit/(Loss) for the year		9 255 903	29 183 220
Profit/(Loss) attributable to owners of C5 Eiendom AS		9 255 903	29 183 220
Appropriation of profit/(loss) for the year:			
Owners of the Company		92 559	291 832
Dividend		19 249 560	18 137 790
Silent interest		(10 086 216)	10 753 598

STATEMENT OF COMPREHENSIVE INCOME

	2020	2019
Profit/(Loss) for the year	9 255 903	29 183 220
Other comprehensive income		
Total other comprehensive income	-	-
Total comprehensive income	9 255 903	29 183 220
Appropriation of total comprehensive income:		
Owners of the Company	92 559	291 832
Dividend	19 249 560	18 137 790
Silent interest	(10 086 216)	10 753 598



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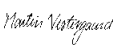
C5 Eiendom AS org. no. 996 713 237

STATEMENT OF FINANCIAL POSITION
as at 31 December 2020
in NOK


	Notes	31.12.2020	31.12.2019
ASSETS			
Non-current assets			
Investment property	8	600 000 000	610 000 000
Total non-current assets		600 000 000	610 000 000
Current assets			
Trade and other receivables	9,14	160 154	245 485
Receivables from tenant	9,14	3 876 919	3 814 390
Cash and cash equivalents	10	46 436 884	46 512 998
Total current assets		50 473 957	50 572 873
TOTAL ASSETS		650 473 957	660 572 873
EQUITY AND LIABILITIES			
Equity			
Paid-in capital			
Share capital	11	300 000	300 000
Other equity		3 116 855	3 024 296
Silent contribution		240 612 870	250 699 086
Total equity		244 029 725	254 023 382
Non-current liabilities			
Liabilities to group companies	12,14		15 000 000
Bond debt	12,14		358 000 000
Total non-current liabilities		-	373 000 000
Current liabilities			
Trade and other payables	13,14	4 451 978	4 381 044
Short term liabilities to group companies	12,13,14,15	15 000 000	500 000
Bond debt	12,13,14	358 000 000	
Tax payable	7	35 942	48 282
Deferred income	13	9 706 752	10 482 375
Dividends payable	14,15	19 249 560	18 137 790
Total current liabilities		406 444 232	33 549 491
Total liabilities		406 444 232	406 549 491
TOTAL EQUITY AND LIABILITIES		650 473 957	660 572 873

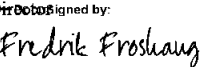
Oslo, 16th July, 2021

The board of directors of C5 Eiendom AS

DocuSigned by:

MDDAFB130C4MB2...
Martin Vestergaard
Chairman of the board


C4AC032E5B0E4D5...
Carl Christian Marthinussen
Director

DocuSigned by:

72FA7241104F424...
Saskia Winkes
Director

DocuSigned by:

7DB5D451937F475...
Fredrik Frøshaug
Director



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C5 Eiendom AS org. no. 996 713 237

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2020
in NOK

	Share Capital	Other equity	Silent contribution	Total equity
Equity at 01.01.2019	300 000	2 732 464	239 945 488	242 977 952
Total comprehensive income	-	291 832	28 891 388	29 183 220
Dividends	-	-	(18 137 790)	(18 137 790)
Equity at 31.12.2019	300 000	3 024 296	250 699 086	254 023 382
Equity at 01.01.2020	300 000	3 024 296	250 699 086	254 023 382
Total comprehensive income	-	92 559	9 163 344	9 255 903
Dividends	-	-	(19 249 560)	(19 249 560)
Equity at 31.12.2020	300 000	3 116 855	240 612 870	244 029 725



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C5 Eiendom AS org. no. 996 713 237

STATEMENT OF CASH FLOWS
for the year ended 31 December 2020
in NOK

	2020	2019
Operating activities:		
Profit/(Loss) before income tax	9 292 157	29 231 502
Change in fair value of investment property	10 000 000	(10 000 000)
<i>Changes in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	22 802	(134 534)
Increase/(decrease) in trade, other payables and accrued expenses	(1 217 029)	(517 624)
Income tax	(36 254)	(48 282)
Dividends paid	(18 137 790)	(22 275 000)
Cash flow from operating activities	(76 114)	(3 743 938)
Investing cash flow:		
Cash flow from investing activities	-	-
Financing cash flow:		
Loans from group companies	-	-
Cash flow from financing activities	-	-
Net increase in cash and cash equivalents	(76 114)	(3 743 938)
Cash and cash equivalents at the beginning of the period	46 512 998	50 256 936
Cash and cash equivalents at 31 December	46 436 884	46 512 998



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C5 Eiendom AS org. no. 996 713 237

Notes to the financial statements

1 Accounting principles and basis for preparation

C5 Eiendom AS ("the Company") is a limited company incorporated in Norway. The Company's main office is located in Oslo, Norway. The Company operates in the property market, mainly with acquisitions and development. The Company has currently no employees.

The Company's financial statements for the period 1st of January ending on 31st of December 2020 were approved in a board meeting on 16th of July 2021.

1.1 The basis for the preparation of the financial statements

The Company's financial statements for the accounting year 2020 have been prepared in accordance with "Simplified International Financial Reporting Standards" (simplified IFRS) approved by the Norwegian Ministry of Finance 21 January 2008 pursuant to Norwegian Accounting Act section 3-9, 5th paragraph.

This principally implies that recognition and measurement-methods are carried out in accordance with International Financial Reporting Standards adopted by the European Union.

The Company has used the exception criteria in simplified IFRS section 3, § 3-1, nr 3 regarding dividends. Dividends to shareholders are accounted for in accordance with Norwegian Generally Accepted Accounting Practice (N-GAAP).

The Company's ultimate controlling party is Corporate Property Associates 18 - Global Inc. a company incorporated under the laws of the United States of America whose registered office, is at One Manhattan West, 395 9th Avenue, 58th Floor, New York, NY 10001, United States.

1.2 Accounting principles

Revenue recognition

The Company's revenue consists of revenue from investments in property and land, specifically rental income. Revenue is in general recognized when it is probable that transactions will generate future financial benefits for the Company and the size of the amount can be reliably estimated. Rental revenue is presented without including/excluding value added tax or/and potential discounts/rebates.

Rental income from operating leases is recognized on a straight-line basis over the lease term. When the Company provides incentives to its tenants, the cost of incentives is recognized over the lease term, on a straight-line basis, as a reduction of rental income.

Investment property

Investment property comprises completed property and property under construction or re-development that is held to earn rentals or for capital appreciation or both.

Investment property is measured initially at cost including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating.

Subsequent to initial recognition, investment property is stated at fair value. Gains or losses arising from changes in the fair values are included in the income statement in the year in which they arise, including the corresponding tax effect. For the purposes of these financial statements, in order to avoid double counting the carrying amount is adjusted for:

- Prepaid or accrued operating lease income.
- Increased by the carrying amount of any liability to the leaseholder.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability.
- Or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The Company must be able to access the principal or the most advantageous market at the measurement date. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.



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1.2 Accounting principles (continued)

Fair value measurement (continued)

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs significant to the fair value measurement as a whole.

The measurements are classified in the fair value hierarchy as follows:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Trade and other financial receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit or loss. The losses arising from impairment are recognized in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

Investments in subsidiaries

The Company presents separate financial statements since consolidated financial statements are presented at higher levels of the WP Carey Group.

Cash and cash equivalents

Cash and cash equivalents include deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

Borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method.

Trade and other financial payables

Trade and other financial payables are non-derivative financial obligations to pay a party during the course of the business. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other financial payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Currency

The Company's functional and presentation currency is NOK.

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in profit or loss.

Events after the balance sheet date

New information on the Company's position at the balance sheet date is taken into account in the financial statements. Events after the balance sheet date that do not affect the Company's position at the balance sheet date, but will affect the Company's position in the future, are stated if significant.

Income tax

Income tax expense for the period comprises current tax expense and deferred tax expense.

Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are calculated on the basis of existing temporary differences between the carrying amounts of assets and liabilities in the financial statement and their tax bases, together with tax losses carried forward at the balance sheet date. Deferred tax assets and liabilities are calculated based on the tax rates and tax legislation that are expected to apply when the assets are realized or the liabilities are settled, based on the tax rates and tax legislation that have been enacted or substantially enacted on the balance sheet date. Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the assets can be utilized. Deferred tax assets and liabilities are not discounted.



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1.3 New and amended standards and interpretations

a) Adoption of new and/or amended International Financial Reporting Standards (IFRSs) and interpretations of the International Financial Reporting Interpretations Committee (IFRIC)

Amendments to the Conceptual Framework for Financial Reporting (issued on 29 March 2018 and effective for annual periods beginning on or after 1 January 2020).

Definition of a business – Amendments to IFRS 3 (issued on 22 October 2018 and effective for acquisitions from the beginning of annual reporting period that starts on or after 1 January 2020).

Definition of materiality – Amendments to IAS 1 and IAS 8 (issued on 31 October 2018 and effective for annual periods beginning on or after 1 January 2020).

Interest rate benchmark reform – Amendments to IFRS 9, IAS 39 and IFRS 7 (issued on 26 September 2019 and effective for annual periods beginning on or after 1 January 2020).

Covid-19-Related Rent Concessions – Amendments to IFRS 16 (issued on 28 May 2020 and effective for annual periods beginning on or after 1 June 2020).

None of these new or amended standards had material effect to Company 2020 financial statements.

b) Standards or interpretations effective from 1 January 2021 or not yet endorsed by EU. (continued)

IFRS 17 "Insurance Contracts" (issued on 18 May 2017 and effective for annual periods beginning on or after 1 January 2021).

Classification of liabilities as current or non-current – Amendments to IAS 1 (issued on 23 January 2020 and effective for annual periods beginning on or after 1 January 2022).

Proceeds before intended use, Onerous contracts – cost of fulfilling a contract, Reference to the Conceptual Framework – narrow scope amendments to IAS 16, IAS 37 and IFRS 3, and Annual Improvements to IFRSs 2018-2020 – amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41 (issued on 14 May 2020 and effective for annual periods beginning on or after 1 January 2022).

Amendments to IFRS 17 and an amendment to IFRS 4 (issued on 25 June 2020 and effective for annual periods beginning on or after 1 January 2023).

Classification of liabilities as current or non-current, deferral of effective date – Amendments to IAS 1 (issued on 15 July 2020 and effective for annual periods beginning on or after 1 January 2023).

Interest rate benchmark (IBOR) reform – phase 2 amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (issued on 27 August 2020 and effective for annual periods beginning on or after 1 January 2021).

Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023).

Amendments to IAS 8: Definition of Accounting Estimates (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023).

The Company is assessing the impact of new standards to its financial statements.

1.4 Key sources of estimation uncertainty and critical accounting judgements

The preparation of the financial statements in accordance with IFRS requires management to make judgements, use estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are considered to be reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis. The management does not assess that there is any specific areas for which there has been much estimation uncertainty.

Investment property

The fair value of investment property is determined by real estate valuation experts using recognized valuation techniques and the principles of IFRS 13. Investment property under construction is measured based on estimates prepared by independent real estate valuation experts.

The fair value of completed investment property is determined using a discounted cash flow model (DCF). The cash flows includes both contractual and expected cash flows.

1.5 Cash flow statement

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits, and other short term investments which immediately and with minimal exchange risk can be converted into known cash amounts, with due date less than three months from purchase date.

2 Segment

The Company's only operating segment is office buildings. The invests in office buildings usually with a long-term lease agreement with place at the time of acquisition.

All the revenue derived from its office building in Norway and all the non-current assets are located in Norway.

3 Revenue

Recognition of lease revenue:

	2020	2019
Rental income	38 044 068	37 443 781
Total revenue	38 044 068	37 443 781

The annual rent payable for the Leased Object is with effect from 1 January 2020 NOK 37,218,420 (exclusive of VAT).



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4 Contractual minimum rentals

Future minimum rentals receivable under non-cancellable operating leases as at 31 December 2020 are as follows:

	2020	2019
Within 1 year	35 343 498	35 091 960
From 2 to 5 years	141 373 992	140 367 840
More than 5 years	247 404 486	245 643 720
Total	424 121 976	421 103 520

The rent is a subject to adjustment on the 1st of January of each year, based on changes in consumer price index from *Statisk Sentralbyrå* (Statistics Norway), or, if such index no longer exists, any other equivalent public index. Manual calculations are performed during each financial year so the above indicated figures refer to rental receivables before the next financial year's adjustment. As minimum lease rental receivable is reduced by amounts already paid by lessee short term lease for basement and parking plots were not indicated to be received within 1 year.

5 Other operating expenses

The Company is managed by employees of W.P. Carey Inc. There were no employees in the Company in 2020 and 2019. There are no payments of remunerations or other benefits for directors or chief executive.

	2020	2019
Consulting Services	33 300	122 450
Audit fees	96 900	93 500
Property related expenses	460 014	412 776
Professional service expenses	578 478	463 052
Management service expenses	1 946 088	1 906 257
Other administrative expenses	188 008	231 055
Total other operating expenses	3 302 788	3 229 090

6 Finance income and expense

	2020	2019
Interest income	288 765	777 369
Finance income	288 765	777 369

	2020	2019
Interest expense	15 752 000	15 752 000
Foreign currency loss	(14 112)	8 535
Other financial expenses	-	23
Finance expenses	15 737 888	15 760 558
Net financial items	(15 449 123)	(14 983 189)

7 Income taxes

Taxable income for the year 2020 is NOK 164,792.49 (for the year 2019 - NOK 219,462)

	2020	2019
This year tax consists of:		
Current income tax charge	36 254	48 282
Income tax expense	36 254	48 282

Deferred tax assets and liabilities:

	2020	2019
Tax loss carry forwards	-	-
Deferred tax assets not shown in the BS	-	-

No deferred tax asset was calculated as at 31 December 2020 and as at 31 December 2019.

Reconciliation of effective tax rate:

	2020	2019
Profit/(Loss) before tax	9 292 157	29 231 502
Statutory tax rate	22 %	22 %
Expected income tax at nominal tax rate	2 044 275	6 430 930
Accounting result C5 Eiendom IS	(9 292 157)	(29 231 502)
Non-deductible/non-taxable interest	-	-
Share of taxable results from C5 Eiendom IS	164 792	219 462
Taxable income before loss carried forward	164 792	219 462
Loss carried forward	-	-
Income tax expense	36 254	48 282
Effective tax rate	-	-



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8 Investment property

	2020	2019
Opening balance 1 January	610 000 000	600 000 000
Remeasurement of fair value	(10 000 000)	10 000 000
Total 31 December	600 000 000	610 000 000

The fair value of investment property is determined using a discounted cash flow (DCF). The company uses an external appraiser to estimate the fair value of the property.

Under the DCF method, a property's fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. As an accepted method within the income approach to valuation, the DCF method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, an appropriate, market-derived discount rate is applied to establish the present value of the cash inflows associated with the real property.

The following table shows an analysis of the fair values of investment property recognized in the statement of financial position by level of the fair value hierarchy.

Fair value estimate

	Level 1	Level 2	Level 3	Total
2020:				
Investment property			600 000 000	600 000 000
2019				
Investment property			610 000 000	610 000 000

Significant assumptions used to estimate fair value of investment property:

	2020	2019
Discount rate/exit yield (real rate)	6,00 %	5,95 %
Initial market rent (per square meter)	1 600	1 600
Vacancy rate	-	-

9 Trade and other receivables

	2020	2019
Receivables from tenant	3 876 919	3 814 390
VAT receivables	-	-
Other receivables	160 154	245 485
Total	4 037 073	4 059 875



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10 Cash and cash equivalents

	2020	2019
Cash in hand and at bank	338 664	666 396
Restricted cash	46 098 220	45 846 602
Total cash and cash equivalents	46 436 884	46 512 998

In order to cure the LTV Breach in accordance with Clause 13.4.2 of the Bond Agreement, entity has provided Additional Security by way of depositing NOK 45,000,000 to an account pledged on first priority and blocked in favour of the Nordic Trustee ASA, in accordance with the terms of the Pledge Agreement.

11 Shareholders' equity

	2020	2019
Ordinary shares, nominal value NOK	300 000	300 000
Total number of shares	1 000	1 000

The nominal value per share is 300 NOK. Ordinary shares in the Company have equal voting rights and entitled to dividend.

Silent partners are entitled to 99 percent of the profit after tax.

The major shareholders at 31.12.2020

Shareholder	Number of shares	Ownership
WPC APP 1 AS	490	49 %
WPC APP 2 AS	510	51 %
Total	1 000	100 %

Distributable dividends

Restricted funds related to the unrealized gain was NOK 143,299,435 as of 31st December 2020 (NOK 151,099,435 as of 31st December 2019).

In accordance with the Norwegian Limited Liability Companies Act's chapter 8, the restricted funds are not to be distributed as dividend.



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12 Current Financial liabilities

Investment property with a carrying amount of 610.0 million per 31 December 2020 is pledged as security for the bond loan.

Borrowings	Interest	Maturity	2020	2019
Liabilities to group companies	0,0%	October 2021	15 000 000	15 000 000
Bond loan	4,4%	October 2021	358 000 000	358 000 000
Total			373 000 000	373 000 000

Liabilities to group companies

A long-term loan in the amount of NOK 7,350,000 was received from related company, CPA 17 Limited Partnership on 15th of June, 2018 and long-term loan in the amount of NOK 7,650,000 was received from related party, CPA 18 Limited Partnership on 14th of June, 2018. Under the agreement, the Company shall use received funds from the loans for the purpose of an additional security to the bond agreement and to transfer the funds to the pledge account.

Covenants:

There are a number of financial and non-financial covenants in the loan agreement. The covenants include a bond loan to fair value ratio that among other terms restrict dividends payments if ratio exceeds 65%. Other covenants include comprehensive information reporting to trustee, change in ownership clauses, and pari passu ranking.

In accordance with valuation report FY2017 during previous year property value has decreased by 131 400 000 NOK and therefore bond LTV exceeded 65%. In compliance with Bond agreement 13.4.1 clause it is stated that if LTV exceed 65% the issuer shall not make any distributions.

Following the above in compliance with Bond agreement 13.4.2 clause upon a LTV Breach, the Issuer within 6 months had to repay other Financial Indebtedness to cure the LTV breach and intend to take that long.

Issuer has provided Additional Security by way of depositing NOK 45,000,000 to an account pledged on first priority and blocked in favour of the Nordic Trustee ASA.

The pledged pledge account is blocked, and any withdrawal, transfer or otherwise dealing with the credit balance from time to time on the Pledge Account by issuer can only be made with prior written approval from the Bond Trustee; and the bank have no set-off rights on the Pledged Account,

From 2018 LTV do not longer exceeds 65%, as the property value decreased by NOK 10,000,000 in 2020 and in 2019 there was an increase by NOK 10,000,000, however the issuer decided to keep pledged account as a security for the future covenant.

The reconciliation of liabilities from financing activities is provided below:

	Borrowings due within 1 year	Intercompany loans due after 1 year	Borrowings due after 1 year	Total
Debt as at 31 December 2018		15 000 000	358 000 000	373 000 000
Cash flows	-	-	-	-
Other non-cash movements	-	-	-	-
Debt as at 31 December 2019		15 000 000	358 000 000	373 000 000
Cash flows	-	-	-	-
Other non-cash movements	-	-	-	-
Debt as at 31 December 2020	373 000 000			373 000 000

13 Current liabilities

	2020	2019
Accounts payable	-	21 242
Short term liabilities to group companies	15 000 000	500 000
Public duties payable	1 554 208	1 480 804
Tax payable	35 942	48 282
Deferred income	9 706 752	10 482 375
Other current liabilities	2 897 770	2 878 998
Dividends payable	19 249 560	18 137 790
Total	48 444 232	33 549 491



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14 Financial Instruments and risk management

Market risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

Currency risk:

The Company is not exposed to much currency risk since most of the transactions is in NOK.

Interest rate risk:

The Company is exposed to fair value risk related to its fixed interest bond loan.

The Company has no exposure to fluctuating interest rate risk because of no cash deposits.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risks from both its leasing activities and financing activities, including deposits with banks.

Credit risk is managed by requiring tenants to pay rentals in advance. Furthermore, the owners of the Company typically invest in office buildings with an existing long-term lease in place at the time of the acquisition. Normally, there will be one tenant with a high credit rating that rents substantially all the available office space.

Liquidity risk

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Company has negligible liquidity risk. The Company expects to generate stable positive cash flows (see overview of minimum lease payments note 4) for the next 10 years. This cash flow exceeds operating and financing cash outflows and enables to meet its obligations.

Contractual maturities:

2020

	Bond loan	Non-current liabilities to group companies	Current liabilities to group companies	Trade and other payables	Total
0-6 months	-	-	34 249 560	4 451 978	38 701 538
6-12 months	373 752 000	-	-	-	373 752 000
1-2 years	-	-	-	-	-
2-4 years	-	-	-	-	-
Total	373 752 000	-	34 249 560	4 451 978	412 453 538

Fair value

Financial instruments by category and classified under the line item where recognized in the statement of financial position (the amounts may differ from the line items in the statement of financial position since the non-financial assets and liabilities are excluded).

	2020		2019	
	Carrying amount	Fair value	Carrying amount	Fair value
<i>Receivables (by classification):</i>				
Trade and other receivables	4 037 073	4 037 073	4 059 875	4 059 875
Cash and cash equivalents	46 436 884	46 436 884	46 512 998	46 512 998
Total	50 473 957	50 473 957	50 572 873	50 572 873
<i>Financial liabilities at amortized cost (by classification):</i>				
Bond loan	358 000 000	360 524 055	358 000 000	355 810 419
Liabilities to group companies	15 000 000	15 000 000	15 000 000	15 000 000
Dividends payable	19 249 560	19 249 560	18 137 790	18 137 790
Current liabilities to group companies	15 000 000	15 000 000	500 000	500 000
Trade and other payables	2 897 770	2 897 770	2 900 240	2 900 240
Total	410 147 330	412 671 385	394 538 030	392 348 449

The management assessed that cash and short-term deposits, rent and other receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Fair value of the Company's interest-bearing borrowings are determined by using the DCF method using a discount rate that reflects the issuer's borrowing rate including its own non-performance risk as at 31 December 2020. The table above shows the clean value of the bond (estimated fair value less accrued interest).



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15 Related parties transactions

All transactions, agreements and business relationships with related parties are made on an arm's length basis. All transactions are carried out as a part of its ordinary activities.

Transactions between related parties

	Related party	2020	2019
Management fees	CPA: 17 Limited partnership	953 583	934 066
Management fees	CPA: 18 Limited partnership	992 505	972 191
Total		1 946 088	1 906 257

Year end balances relating to related parties:

	Related party	2020	2019
Non-current liabilities to group companies	CPA: 17 Limited partnership		7 350 000
Non-current liabilities to group companies	CPA: 18 Limited partnership		7 650 000
Current liabilities to group companies	CPA: 17 Limited partnership	7 350 000	-
Current liabilities to group companies	CPA: 18 Limited partnership	7 650 000	500 000
Dividends payable	WPC APP 1 AS	9 432 284	8 887 517
Dividends payable	WPC APP 2 AS	9 817 276	9 250 273
Total		34 249 560	33 637 790

For the year 2020, the Company declared dividends to the shareholders in the amount of NOK 19,249,560 (for the year 2019 - NOK 18,137,790).

16 Commitments and contingencies

As at December 31, 2020, the Company had no unusual commitments or contractual obligations of any sort which were not in the ordinary course of business and which might have an adverse effect on the Company.

17 Subsequent Event Statement

In March 2020, the World Health Organization classified the transmission of the new coronavirus, responsible for COVID-19, as a pandemic. The speed with which the transmission emerged, caused a public health crisis, with a high macroeconomic impact at a global level. The impact of the pandemic on the activity of [the Company] was very limited, with no or only slight interruptions at the operational level.

Management have not identified any significant impacts on the company's financial statements.

There were no other events that occurred subsequent to December 31, 2020 that require consideration as adjustments to or disclosures in the financial statements.