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CVR no. 20 22 26 70

**COLLIERS INTERNATIONAL INVESTMENT SERVICES A/S**

**PALÆGADE 2 2., 1261 KØBENHAVN K**

**ANNUAL REPORT**

**1 JANUARY - 31 DECEMBER 2018**

**The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 18 March 2019**

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**Flemming Michelsen**

**CVR NO. 11 52 03 83**

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**COMPANY DETAILS**

<b>Company</b>	Colliers International Investment Services A/S Palægade 2 2. 1261 Copenhagen K  CVR No.: 11 52 03 83 Established: 1 November 1987 Registered Office: Copenhagen Financial Year: 1 January - 31 December
<b>Board of Directors</b>	Christopher Ross McLernon, chairman Richard Alexander Bruce Davoud Reza Amel-Azizpour Peter Winther Jeppe Schønfeld
<b>Board of Executives</b>	Peter Winther Jeppe Schønfeld
<b>Auditor</b>	BDO Statsautoriseret revisionsaktieselskab Kystvejen 29 8000 Aarhus C
<b>Bank</b>	Danske Bank Kannikegade 4 8000 Aarhus C

## STATEMENT BY BOARD OF DIRECTORS AND BOARD OF EXECUTIVES

Today the Board of Directors and Board of Executives have discussed and approved the Annual Report of Colliers International Investment Services A/S for the financial year 1 January - 31 December 2018.

The Annual Report is presented 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 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018.

The Management's Review includes in our opinion a fair presentation of the matters dealt with in the Review.

We recommend the Annual Report be approved at the Annual General Meeting.

Copenhagen K, 13 March 2019

### Board of Executives

\_\_\_\_\_  
Peter Winther

\_\_\_\_\_  
Jeppe Schønfeld

### Board of Directors

\_\_\_\_\_  
Christopher Ross McLernon  
Chairman

\_\_\_\_\_  
Richard Alexander Bruce

\_\_\_\_\_  
Davoud Reza Amel-Azizpour

\_\_\_\_\_  
Peter Winther

\_\_\_\_\_  
Jeppe Schønfeld

## INDEPENDENT AUDITOR'S REPORT

### To the Shareholder of Colliers International Investment Services A/S

#### Opinion

We have audited the Financial Statements of Colliers International Investment Services A/S for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company's at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

#### Management's Responsibility for the Financial Statements

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 Responsibility for 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:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

## INDEPENDENT AUDITOR'S REPORT

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, 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 Statements Act. We did not identify any material misstatement of Management's Review.

Aarhus, 13 March 2019

BDO Statsautoriseret revisionsaktieselskab  
CVR no. 20 22 26 70

Morten Trap Olesen  
State Authorised Public Accountant  
MNE no. mne35625

## MANAGEMENT'S REVIEW

### Principal activities

The Group's core business areas are transaction procurement, rental services, property valuations, advisory services and analyses regarding commercial and investment properties, property portfolios and property companies.

### Development in activities and financial position

In 2018 Colliers merged with Sadolin & Albæk A/S to become the sector's undisputed market leader in Denmark. We have a total of around 150 staff members and offices in Copenhagen, Aarhus, Aalborg, Odense and Vejle.

We aim to provide our clients with top-end value-added real estate advisory services, and we strive to be the most professional and efficient choice for procurement and rental assignments in the market. Colliers Denmark is a part of the Colliers International Group (CIGI), which is the world's fastest growing listed commercial real estate company. Colliers is currently represented in 68 countries and employs more than 17,000 people.

### Profit for the year compared to future expectations

Profit for 2018 came to 65,047 tkr. The balance sheet shows equity of 41,375 tkr. as at 31 December 2018.

### Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the company's financial position.

### Knowledge resources

The Group's activities are largely based on skills and knowledge. We are therefore committed to investing in the attraction, development and retention of the best professionals in the sector and offering career options that stimulate and challenge our staff.

### Future expectations

To maintain and develop our company's market position and professional skills, there will be a continuous need to invest in organisation, training and information technology.

The Group expects unchanged market activity and positive results for 2019, albeit probably not at the level recorded in 2018.

## INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2018 DKK	2017 DKK
<b>GROSS PROFIT</b> .....		<b>86,409,569</b>	<b>54,568,665</b>
Staff costs.....	1	-3,208,753	-1,279,200
<b>OPERATING PROFIT</b> .....		<b>83,200,816</b>	<b>53,289,465</b>
Other financial expenses.....		-3,925	-153,238
<b>PROFIT BEFORE TAX</b> .....		<b>83,196,891</b>	<b>53,136,227</b>
Tax on profit for the year.....	2	-18,150,078	-11,723,668
<b>PROFIT FOR THE YEAR</b> .....		<b>65,046,813</b>	<b>41,412,559</b>
<b>PROPOSED DISTRIBUTION OF DIVIDEND</b>			
Proposed dividend for the year.....		40,874,578	41,412,559
Extraordinary dividend.....		24,172,235	0
<b>TOTAL</b> .....		<b>65,046,813</b>	<b>41,412,559</b>



## BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2018 DKK	2017 DKK
Trade receivables.....		29,124,226	34,685,344
Receivables from group enterprises.....		21,425,359	30,416,023
<b>Receivables.....</b>		<b>50,549,585</b>	<b>65,101,367</b>
Cash and cash equivalents.....		9,445,548	0
<b>CURRENT ASSETS.....</b>		<b>59,995,133</b>	<b>65,101,367</b>
<b>ASSETS.....</b>		<b>59,995,133</b>	<b>65,101,367</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital.....		500,000	500,000
Proposed dividend.....		40,874,578	41,412,559
<b>EQUITY.....</b>	<b>3</b>	<b>41,374,578</b>	<b>41,912,559</b>
Trade payables.....		0	11,184,575
Corporation tax.....		18,303,316	11,876,906
Other liabilities.....		317,239	127,327
<b>Current liabilities.....</b>		<b>18,620,555</b>	<b>23,188,808</b>
<b>LIABILITIES.....</b>		<b>18,620,555</b>	<b>23,188,808</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>59,995,133</b>	<b>65,101,367</b>
Contingencies etc.	4		

## NOTES

	2018 DKK	2017 DKK	Note
<b>Staff costs</b>			<b>1</b>
Average number of employees 3 (2017: 1)			
Wages and salaries.....	3,163,876	1,279,200	
Social security costs.....	44,877	0	
	<b>3,208,753</b>	<b>1,279,200</b>	
<b>Tax on profit/loss for the year</b>			<b>2</b>
Calculated tax on taxable income of the year.....	18,303,316	11,723,668	
Adjustment of tax in previous years.....	-153,238	0	
	<b>18,150,078</b>	<b>11,723,668</b>	
<b>Equity</b>			<b>3</b>
	Share capital	Proposed dividend	Total
Equity at 1 January 2018.....	500,000	41,412,559	41,912,559
Dividend paid.....		-41,412,559	-41,412,559
Proposed distribution of profit.....		65,046,813	65,046,813
Distributed extraordinary dividend.....		-24,172,235	-24,172,235
<b>Equity at 31 December 2018.....</b>	<b>500,000</b>	<b>40,874,578</b>	<b>41,374,578</b>
<b>Contingencies etc.</b>			<b>4</b>
<b>Joint liabilities</b>			
The company is jointly and severally liable together with the parent company and the other group companies in the joint taxable Group for tax on the Group's joint taxable income and for certain possible withholding taxes such as dividend tax.			
Tax payable of the Group's joint taxable income is stated in the annual report of Colliers International Denmark Holdings ApS, which serves as management company for the joint taxation.			

## ACCOUNTING POLICIES

The Annual Report of Colliers International Investment Services A/S for 2018 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

## INCOME STATEMENT

### Net revenue

Net revenue comprises fees for consultancy services and commission from sale of properties and property companies. The production method is used in the income recognition, however, success fees are not recognised until the successful event has occurred.

The successful event is assessed to be completed when the income generating service has been delivered, the income can be measured reliably and it is most likely at the time of recognition that the economic benefits related to the transaction will be received by the company.

### Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year.

### Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts etc.

### Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security, etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

### Financial income and expenses

Financial income and expenses include interest income and expenses, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

### Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

## BALANCE SHEET

### Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by impairment losses to meet expected losses.

## ACCOUNTING POLICIES

### **Tax payable and deferred tax**

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

The company is subject to joint taxation with Danish group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the on account tax scheme. Joint taxation contributions receivable and payable are recognised in the balance sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against 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 under the legislation in force on the balance sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

### **Liabilities**

Amortised cost for short-term liabilities usually corresponds to the nominal value.