

Terminal 3 ApS

c/o Baggoe Schou
Fiolstræde 44, 3. th.
1171 København K
Denmark

CVR no. 30 27 34 78

Annual report 2020

The annual report was presented and approved at the
Company's annual general meeting on

23 June 2021

Peter Eric Broström
Chairman

Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Company details	5
Operating review	6
Financial statements 1 January – 31 December	7
Income statement	7
Balance sheet	8
Statement of changes in equity	10
Notes	11

Terminal 3 ApS
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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Terminal 3 ApS for the financial year 1 January – 31 December 2020.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 23 June 2021
Executive Board:

Peter Eric Broström

Board of Directors:

Peter Eric Broström
Chairman

Roland Maria Döhn

Hélène Henning

Emil Jonatan Jansbo

Independent auditor's report

To the shareholder of Terminal 3 ApS

Opinion

We have audited the financial statements of Terminal 3 ApS for the financial year 1 January – 31 December 2020 comprising income statement, balance sheet, statement of changes in equity and notes, including 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 Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020 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 rules and requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 company 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.

Independent auditor's report

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 the Management's review.

Copenhagen, 23 June 2021

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Carsten Nielsen
State Authorised
Public Accountant
mne30212

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Management's review

Company details

Terminal 3 ApS
c/o Baggøe Schou
Fiolstræde 44, 3. th.
1171 København K
Denmark

CVR no.:	30 27 34 78
Established:	14 February 2007
Registered office:	Copenhagen
Financial year:	1 January – 31 December

Board of Directors

Peter Eric Broström, Chairman
Roland Maria Döhn
Hélène Henning
Emil Jonatan Jansbo

Executive Board

Peter Eric Broström

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 Copenhagen
Denmark

Management's review

Operating review

Principal activities

The Company's principal activity is to acquire, sell and lease the property at Nordager 28, 6000 Kolding, Denmark.

Development in activities and financial position

The Company's income statement for 2020 shows a profit of DKK 7,068 thousand as against DKK 13,958 thousand in 2019. Equity in the Company's balance sheet at 31 December 2020 stood at DKK 61,176 thousand as against DKK 59,514 thousand at 31 December 2019.

The results for the year are considered to be in accordance with expectations.

The investment properties have been measured at fair value at 31 December 2020 compared to cost previous years.

Please see note 1 in accounting policies for financial impact.

Events after the balance sheet date

No events have occurred after the balance sheet date which could significantly affect the Company's financial position.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2020	2019
Revenue		9,842	9,651
Other external costs		<u>-1,697</u>	<u>-1,691</u>
Profit before financial income and expenses		8,145	7,960
Fair value adjustment of investment properties		3,100	12,100
Financial expenses	3	<u>-2,184</u>	<u>-2,165</u>
Profit before tax		9,061	17,895
Tax on profit for the year	4	<u>-1,993</u>	<u>-3,937</u>
Profit for the year		<u>7,068</u>	<u>13,958</u>
Proposed profit appropriation			
Extraordinary dividend paid		0	2,000
Proposed dividends for the year		9,904	5,406
Retained earnings		<u>-2,836</u>	<u>6,552</u>
		<u>7,068</u>	<u>13,958</u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2020	2019
ASSETS			
Fixed assets			
Property, plant and equipment	5		
Investment property		<u>151,400</u>	<u>148,300</u>
Total fixed assets		<u>151,400</u>	<u>148,300</u>
Current assets			
Receivables			
Trade receivables		769	0
Other receivables		23	23
Prepayments		<u>50</u>	<u>51</u>
		<u>842</u>	<u>74</u>
Cash at bank and in hand		<u>6,077</u>	<u>6,456</u>
Total current assets		<u>6,919</u>	<u>6,530</u>
TOTAL ASSETS		<u><u>158,319</u></u>	<u><u>154,830</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2020	2019
EQUITY AND LIABILITIES			
Equity			
Contributed capital		125	125
Retained earnings		51,147	53,983
Proposed dividends for the financial year		9,904	5,406
Total equity		61,176	59,514
Provisions			
Provisions for deferred tax		22,268	20,836
Total provisions		22,268	20,836
Liabilities other than provisions			
Non-current liabilities other than provisions			
	6		
Debt to credit institutions		52,447	52,296
Payables to shareholder		11,301	11,296
Deposits		9,359	9,175
		73,107	72,767
Current liabilities other than provisions			
Current portion of non-current liabilities		124	120
Payables to shareholder		41	41
Corporation tax		561	524
Other payables		1,042	1,028
		1,768	1,713
Total liabilities other than provisions		74,875	74,480
TOTAL EQUITY AND LIABILITIES		158,319	154,830
Average number of employees	2		
Contractual obligations, contingencies, etc.	7		
Mortgages and collateral	8		
Related party disclosures	9		

Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Proposed dividends for the financial year	Total
Equity at 1 January 2019	125	7,327	5,254	12,706
Net effect from change of accounting policy	0	40,104	0	40,104
Ordinary dividends paid	0	0	-5,254	-5,254
Transferred over the profit appropriation	0	8,552	5,406	13,958
Extraordinary dividends paid	0	-2,000	0	-2,000
Egenkapital 1. januar 2020	<u>125</u>	<u>53,983</u>	<u>5,406</u>	<u>59,514</u>
Equity at 1 January 2020	125	53,983	5,406	59,514
Ordinary dividends paid	0	0	-5,406	-5,406
Transferred over the profit appropriation	0	-2,836	9,904	7,068
Equity at 31 December 2020	<u>125</u>	<u>51,147</u>	<u>9,904</u>	<u>61,176</u>

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Terminal 3 ApS for 2020 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

Change in accounting policies

The Company has changed its accounting policy regarding investment properties so that investment properties are measured at fair value. Previously, investment properties were measured at cost. The change in accounting policy is made in order to give a more true and fair view of the Company's activities, results and financial position.

DKK'000	2020	2019
Effect on:		
Profit/loss	3,122	10,142
Total assets	4,002	64,418
Equity	3,122	50,246
Provision for deferred tax	880	14,172

The comparative figures have been restated to reflect the changed accounting policies.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Revenue comprises rental income from the lease of property and from recharged costs. Revenue is recognised in the income statement for the period relating to the financial year.

Other external costs

Other external costs comprise costs incurred during the year as a result of the rental of the Company's property and administration.

Financial expenses

Financial expenses comprise interest expense and realised and unrealised capital losses on financial assets and liabilities.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Tax on profit for the year

The Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Parent Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

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

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Investment properties

Investment properties comprises properties that is held to earn rentals, held for capital appreciation or both. Initially, investment properties are measured at cost including purchase price and directly related costs. The carrying amount also includes costs for improvements if the recognition criteria are met.

Subsequent to initial recognition, investment properties are stated at fair value. Gains and losses arising from changes in the fair values are included in the income statement in the year which they arise.

The properties are valued using the income capitalization method where a property's fair value is estimated based on the normalized net operating income generated by the property, which is divided by the capitalization rate. The calculated value is adjusted with expected future change in rental value, voids, capital expenses and other special circumstances.

The valuation was performed by CBRE GmbH, an accredited an independent valuer with recognized and relevant professional qualifications and recent experience of the location and category of investment properties being valued. The valuation model applied is in accordance with the recommended by the International Valuation Standards Committee. These valuations models are consistent with the principles in IFRS 13.

Investment properties is not depreciated.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognized in the income statement as other operating income or other operating costs, respectively.

Receivables

Receivables are measured at amortised cost.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Cash at bank and in hand

Cash at bank and in hand comprise cash at bank.

Equity

Dividends

The expected dividends payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at net realisable value.

Financial statements 1 January – 31 December

Notes

DKK'000	<u>2020</u>	<u>2019</u>
2 Average number of employees		
Average number of full-time employees	<u>0</u>	<u>0</u>
3 Financial expenses		
Interest paid to shareholders	492	492
Other financial costs	<u>1,692</u>	<u>1,673</u>
	<u>2,184</u>	<u>2,165</u>
4 Tax on profit for the year		
Current tax for the year	561	524
Change in deferred tax	<u>1,432</u>	<u>3,413</u>
	<u>1,993</u>	<u>3,937</u>
5 Property, plant and equipment		
DKK'000		Investment property
Cost at 1 January 2020		<u>99,349</u>
Cost at 31 December 2020		<u>99,349</u>
Revaluations at 1 January 2020		48,951
Revaluations for the year		<u>3,100</u>
Revaluations at 31 December 2020		<u>52,051</u>
Carrying amount at 31 December 2020		<u>151,400</u>

Key assumptions:

The property is located in Kolding and used for logistic with a total area of 23,379 sqm. The fair value of investment properties in the annual report is estimated based on the external valuation report. Valuation has been prepared using an income capitalization methodology.

The return requirement estimates are based on information about the general regional development in return requirements and other relevant local conditions.

An individually determined Equivalent Yield of 5.75% has been applied in the market value assessment at 31 December 2020.

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.

Sensitivity analysis:

An increase of the exit yield by 0.25 percentage points would reduce the property value by DKK 6.8 million. A decrease in the exit yield by 0.25 percentage points would increase the property value by DKK 7.4 million at the balance sheet date.

Financial statements 1 January – 31 December

Notes

6 Liabilities other than provisions

DKK'000	Total debt at 31/12 2020	Outstanding debt after five years
Debt to credit institutions	52,571	0
Payables to shareholder	11,342	0
Deposits	9,359	9,359
	<u>73,272</u>	<u>9,359</u>

7 Contractual obligations, contingencies, etc.

NLP Holding 2014 ApS being the administration Company. The Company is subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

8 Mortgages and collateral

As collateral for debt to credit institutions has been granted on investment property representing a book value of DKK 82,979 thousand at 31 December 2020.

9 Related party disclosures

Control

Terminal 3 ApS is part of the consolidated financial statements of Savills Investment Management KVG GmbH, org.nr HRV 68783, Frankfurt am Main, Germany, which is the smallest group, in which the Company is included as a subsidiary.

The consolidated financial statements of Savills Investment Management KVG GmbH can be obtained by contacting the Company at the address above.