

Terminal 4 ApS

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

CVR no. 30 91 59 92

Annual report 2021

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

25 January 2022

Peter Eric Broström
Chairman

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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 4 ApS for the financial year 1 January – 31 December 2021.

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 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

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, 25 January 2022

Executive Board:

Peter Eric Broström

Board of Directors:

Peter Eric Broström
Chairman

Karl Rikard Anton Karlström

Roland Maria Döhn

Hélène Henning

Independent auditor's report

To the shareholder of Terminal 4 ApS

Opinion

We have audited the financial statements of Terminal 4 ApS for the financial year 1 January – 31 December 2021 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 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021 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, 25 January 2022

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Henrik Y. Jensen
State Authorised
Public Accountant
mne35442

Terminal 4 ApS
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Management's review

Company details

Terminal 4 ApS
c/o Baagøe Schou
Fiolstræde 44, 3. th.
1171 København K
Denmark

CVR no.:	30 91 59 92
Established:	10 October 2007
Registered office:	Copenhagen
Financial year:	1 January – 31 December

Board of Directors

Peter Eric Broström, Chairman
Karl Rikard Anton Karlström
Roland Maria Döhn
Hélène Henning

Executive Board

Peter Eric Broström

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 København Ø
CVR no. 25 57 81 98

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 2021 shows a profit of DKK 34,346 thousand as against DKK 4,819 thousand in 2020. Equity in the Company's balance sheet at 31 December 2021 stood at DKK 66,255 thousand as against DKK 35,203 thousand at 31 December 2020.

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

Revaluation of property has had a significant impact on the profit for the year.

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	2021	2020
Revenue		4,544	4,413
Other external costs		<u>-1,003</u>	<u>-851</u>
Profit before financial income and expenses		3,541	3,562
Fair value adjustment of investment properties		41,284	3,400
Other financial expenses	3	<u>-791</u>	<u>-784</u>
Profit before tax		44,034	6,178
Tax on profit for the year	4	<u>-9,688</u>	<u>-1,359</u>
Profit for the year		<u>34,346</u>	<u>4,819</u>
Proposed profit appropriation			
Proposed dividends for the year		0	3,294
Retained earnings		<u>34,346</u>	<u>1,525</u>
		<u>34,346</u>	<u>4,819</u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2021	31/12 2020
ASSETS			
Fixed assets			
Property, plant and equipment	5		
Investment properties		108,984	67,700
Total fixed assets		108,984	67,700
Current assets			
Receivables			
Trade receivables		0	345
Other receivables		0	43
Prepayments		18	17
		18	405
Cash at bank and in hand		1,076	2,178
Total current assets		1,094	2,583
TOTAL ASSETS		110,078	70,283

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2021	31/12 2020
EQUITY AND LIABILITIES			
Equity			
Contributed capital		125	125
Retained earnings		66,130	31,784
Proposed dividends for the financial year		0	3,294
Total equity		66,255	35,203
Provisions			
Provisions for deferred tax		16,154	6,678
Total provisions		16,154	6,678
Liabilities other than provisions			
Non-current liabilities other than provisions			
	6		
Debt to credit institutions		0	16,602
Payables to group entities		0	5,857
Deposits		4,360	4,275
		4,360	26,734
Current liabilities other than provisions			
Other credit institutions, current liabilities	6	16,706	39
Payables to group entities	6	5,997	108
Corporation tax		211	231
Other payables		395	1,290
		23,309	1,668
Total liabilities other than provisions		27,669	28,402
TOTAL EQUITY AND LIABILITIES		110,078	70,283
Average number of employees			
	2		
Contractual obligations, contingencies, etc.	7		
Mortgages and collateral	8		
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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 2020	125	30,259	2,485	32,869
Ordinary dividends paid	0	0	-2,485	-2,485
Transferred over the profit appropriation	0	1,525	3,294	4,819
Equity at 31 December 2020	125	31,784	3,294	35,203
Equity at 1 January 2021	125	31,784	3,294	35,203
Ordinary dividends paid	0	0	-3,294	-3,294
Transferred over the profit appropriation	0	34,346	0	34,346
Equity at 31 December 2021	125	66,130	0	66,255

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Terminal 4 ApS for 2021 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.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

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

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

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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 model applied is in accordance with the International Valuation Standards. The valuation is consistent with the principles in IFRS 13.

Investment properties are 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.

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.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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 cost 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

	2021	2020
DKK'000		
2 Average number of employees		
Average number of full-time employees	0	0
3 Financial expenses		
Interest expense to group entities	229	229
Other financial costs	562	555
	791	784
4 Tax on profit for the year		
Current tax for the year	211	230
Change in deferred tax	9,477	1,129
	9,688	1,359
5 Property, plant and equipment		
DKK'000		Investment properties
Cost at 1 January 2021		45,777
Cost at 31 December 2021		45,777
Revaluations at 1 January 2021		21,923
Revaluations for the year		41,284
Revaluations at 31 December 2021		63,207
Carrying amount at 31 December 2021		108,984

Key assumptions:

The property is located in Greve and used for logistic with a total area of 8,302 sqm. The fair value of investment properties in the annual report is assessed by Management using an income capitalization method.

An individually determined Equivalent Yield of 3.43% has been applied in the market value assessment at 31 December 2021.

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 7.2 million. A decrease in the exit yield by 0.25 percentage points would increase the property value by DKK 8.3 million at the balance sheet date.

Financial statements 1 January – 31 December

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6 Liabilities other than provisions

DKK'000	Total debt at 31/12 2020	Outstanding debt after five years
Debt to credit institutions	16,706	0
Payables to group entities	5,997	0
Deposits	4,360	4,360
	<u>27,063</u>	<u>4,360</u>

Debt to credit institutions and Payables to shareholder will be refinanced at 31 January 2022.

7 Contractual obligations, contingencies, etc.

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. NLP Holding 2014 ApS is registered as the administration Company in the joint taxation scheme.

8 Mortgages and collateral

As collateral for debt to credit institutions has been granted on investment property representing a book value of DKK 108,984 thousands at 31 December 2021.

9 Related party disclosures

Control

Terminal 4 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.