

REI Denmark Solvgade Holding A/S
Kristian Bernikowsgade 4, 1. sal, 1105 København K

Annual report

2020

Company reg. no. 37 64 68 81

The annual report was submitted and approved by the general meeting on the 28 June 2021.

Line Verroken
Chairman of the meeting

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Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, IAS/IFRS British English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

Management's report

Today, the board of directors and the managing director have presented the annual report of REI Denmark Solvgade Holding A/S for the financial year 2020.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the company's results of activities in the financial year 1 January - 31 December 2020.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

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

Copenhagen, 28 June 2021

Managing Director

Kathrine Bjørck Andersen

Board of directors

Christophorus J. Hoorenman
Chairman

Line Verroken

Jan Lyng-Petersen

Independent auditor's report

To the shareholders of REI Denmark Solvgade Holding A/S

Opinion

We have audited the financial statements of REI Denmark Solvgade Holding A/S for the financial year 1 January - 31 December 2020, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the results of the company's activities 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 and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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.

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 including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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.

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 the internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

Independent auditor's report

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Copenhagen, 28 June 2021

KPMG

State Authorised Public Accountants
Company reg. no. 25 57 81 98

Christian Engelbrecht Friis
State Authorised Public Accountant
mne44180

Company information

The company	REI Denmark Solvgade Holding A/S Kristian Bernikowsgade 4, 1. sal 1105 København K Company reg. no. 37 64 68 81 Financial year: 1 January - 31 December 5th financial year
Board of directors	Christophorus J. Hoorenman, Chairman Line Verroken Jan Lyng-Petersen
Managing Director	Kathrine Bjørck Andersen
Auditors	KPMG Statsautoriseret Revisionspartnerselskab Dampfærgevej 28 2100 København Ø
Parent company	REI Investment I B.V Prinses Beatrixlaan 35 2595 AK, The Hague Holland
Subsidiary	REI Denmark Solvgade A/S, København

Management commentary

The principal activities of the company

Like previous years, the principal activities is to directly or indirectly to own, manage, develop and renting out properties.

Development in activities and financial matters

The revenue for the year totals DKK against DKK last year. Income or loss from ordinary activities after tax totals DKK 311.862 against DKK 51.337.185 last year. Management considers the net profit or loss for the year satisfactory.

Events occurring after the end of the financial year

The management of the subsidiary, REI Denmark Solvgade A/S, will at the annual meeting propose a dividend of 2,5 mio EURO. If the proposal is adopted by the annual meeting of REI Denmark Solvgade A/S, the management of REI Denmark Solvgade Holding A/S will propose a dividend of the same amount less the results brought forward.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2020</u>	<u>2019</u>
Other external costs	-58.375	-18.125
Gross profit	-58.375	-18.125
Income from equity investment in group enterprise	370.237	51.355.310
Pre-tax net profit or loss	311.862	51.337.185
Tax on ordinary results	0	0
Net profit or loss for the year	311.862	51.337.185
Proposed appropriation of net profit:		
Reserves for net revaluation according to the equity method	370.237	51.355.310
Allocated from retained earnings	-58.375	-18.125
Total allocations and transfers	311.862	51.337.185
Extraordinary dividend approved after the end of the financial year	18.523.791	18.564.041

Statement of financial position at 31 December

All amounts in DKK.

Assets			
<u>Note</u>		<u>2020</u>	<u>2019</u>
Non-current assets			
2	Equity investment in group enterprise	<u>106.324.470</u>	<u>124.536.399</u>
	Total investments	<u>106.324.470</u>	<u>124.536.399</u>
	Total non-current assets	<u>106.324.470</u>	<u>124.536.399</u>
Current assets			
	Receivables from group enterprises	<u>5.631.388</u>	<u>5.671.638</u>
	Total receivables	<u>5.631.388</u>	<u>5.671.638</u>
	Total current assets	<u>5.631.388</u>	<u>5.671.638</u>
	Total assets	<u>111.955.858</u>	<u>130.208.037</u>

Statement of financial position at 31 December

All amounts in DKK.

<u>Note</u>	<u>2020</u>	<u>2019</u>
Equity and liabilities		
Equity		
Contributed capital	20.000.000	20.000.000
Reserve for net revaluation according to the equity method	91.999.233	110.211.162
Retained earnings	-58.375	-18.125
Total equity	<u>111.940.858</u>	<u>130.193.037</u>
Liabilities other than provisions		
Trade payables	<u>15.000</u>	<u>15.000</u>
Total short term liabilities other than provisions	<u>15.000</u>	<u>15.000</u>
Total liabilities other than provisions	<u>15.000</u>	<u>15.000</u>
Total equity and liabilities	<u>111.955.858</u>	<u>130.208.037</u>

3 Contingencies

4 Related parties

Accounting policies

The annual report for REI Denmark Solvgade Holding A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Income statement

Other external costs

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Results from equity investment in group enterprise

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the group enterprise is recognised in the income statement as a proportional share of the group enterprises' post-tax profit or loss.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

Accounting policies

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Investments

Equity investment in group enterprise

Equity investment in group enterprise is recognised and measured by applying the equity method. The equity method is used as a measurement method.

Equity investment in group enterprise is recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 5-20 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterprises with a strong market position and a long-term earnings profile.

In relation to material assets and liabilities recognised in group enterprises, associates and equity interests but are not represented in the parent, the following accounting policies have been applied.

Equity investment in group enterprise with a negative equity value is measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover a negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

To the extent the equity exceeds the cost, the net revaluation of equity investment in group enterprise is transferred to the reserve under equity for net revaluation according to the equity method. Dividend from group enterprise expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in group enterprise.

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

Accounting policies

On the acquisition of enterprises, the acquisition method, the uniting-of-interests method or the book value method is applied, cf. the above description under Business combinations.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Equity

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries, associates and equity interests proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by a negative amount.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Reserve for net revalua-tion according to the eq- uity method</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2020	20.000.000	110.211.162	-18.125	130.193.037
Distributed dividend, group enterprises	0	-18.582.166	18.582.166	0
Share of results	0	370.237	-58.375	311.862
Extraordinary dividend adopted during the financial year	0	0	-18.564.041	-18.564.041
	<u>20.000.000</u>	<u>91.999.233</u>	<u>-58.375</u>	<u>111.940.858</u>

Notes

All amounts in DKK.

	<u>2020</u>	<u>2019</u>
1. Staff costs		
Average number of employees	<u>0</u>	<u>0</u>
2. Equity investment in group enterprise		
Acquisition sum, opening balance 1 January	<u>14.325.237</u>	<u>14.325.237</u>
Cost 31 December	<u>14.325.237</u>	<u>14.325.237</u>
Revaluations, opening balance 1 January	110.211.162	77.423.048
Adjustment of previous revaluations	0	14.970
Results for the year before goodwill amortisation	370.237	51.355.310
Dividend last year	<u>-18.582.166</u>	<u>-18.582.166</u>
Revaluation 31 December	<u>91.999.233</u>	<u>110.211.162</u>
Carrying amount, 31 December	<u>106.324.470</u>	<u>124.536.399</u>

Group enterprise:

	Domicile	Equity interest
REI Denmark Solvgade A/S	København	99,71 %

The management of REI Denmark Solvgade A/S will at the annual meeting propose an dividend of 2,5 mio. EURO.

3. Contingencies

Joint taxation

With REI Denmark Copenhagen ApS, company reg. no 36045213 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

The jointly taxed enterprises' total known net liability to the Danish tax authorities emerges from the financial statements of the administration company.

Notes

All amounts in DKK.

3. Contingencies (continued)

Joint taxation (continued)

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

4. Related parties

Consolidated financial statements

The company is a part of the consolidated financial statements of REI Investment I B.V and ING Groep N.V and can be obtained at the following address:

Largest group:

ING Groep N.V
Bijlmerplein 888
1102 MG Amsterdam
P.O Box 1800, 1000 BV Amsterdam
The Netherlands

Smallest group:

REI Investment I B.V.
Prinses Beatrixlann 35
90504, 2509LM's - Gravenhage