

# Hines Nordics ApS

Forbindelsesvej 4, 2100 København Ø

CVR no. 38 81 64 89

## Annual report 2019

Approved at the Company's annual general meeting on 28 August 2020

Chairman:

A handwritten signature in black ink, appearing to read "Finn Steing", written over a horizontal dotted line.

The following is a translation of an original Danish document. The original Danish document is the governing document for all purposes, and in case of any discrepancy, the Danish wording will be applicable.





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### Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of Hines Nordics ApS for the financial year 1 January - 31 December 2019.

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

In my opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019.

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

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

København, 28 August 2020  
Executive Board:

A handwritten signature in blue ink, consisting of a stylized 'J' followed by a long horizontal line that tapers to the right.

James Iain Robson  
Chairman

## Independent auditor's report

To the shareholder of Hines Nordics ApS

### Opinion

We have audited the financial statements of Hines Nordics ApS for the financial year 1 January - 31 December 2019, which comprise 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 financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

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.

### Management's responsibilities 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 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 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 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 the 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 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 note 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 Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 28 August 2020  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Henrik Reedtz  
State Authorised Public Accountant  
mne24830



## Management's review

### Company details

Name	Hines Nordics ApS
Address, Postal code, City	Forbindelsesvej 4, 2100 København Ø
CVR no.	38 81 64 89
Established	13 July 2017
Registered office	København
Financial year	1 January - 31 December
Executive Board	James Iain Robson, Chairman
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

## Management commentary

### Business review

This company is primarily engaged in providing administrative services of development, administration, capital growth, leasing, acquisition and sales within Real estate.

### Financial review

The income statement for 2019 shows a profit of DKK 2,776,906 against a profit of DKK 3,826,411 last year, and the balance sheet at 31 December 2019 shows equity of DKK 7,053,317. Management considers the Company's financial performance in the year satisfactory.

During the year, it became apparent that a significant cost of DKK 9.532.846 and revenue DKK 5.665.297 that regarded the previous financial year, had not been recognized in the annual report. The cost and revenue has been recognized as a material misstatement and the comparative figures has been restated. The change to profit/loss for 2017/18 was a deduction from DKK 6.843.100 to DKK 3.826.411. The change to the balance sheet was that the following: payable tax of was change to DKK 1.079.244 from DKK 1.930.104 and payables to group enterprises was changed from DKK 1.823.165 to DKK 5.690.714. Furthermore, the adjustment have had its impact on the Equity, changed from DKK 7.293.100 to DKK 4.276.411.

### Events after the balance sheet date

There is growing evidence that the Covid-19 virus may have a temporary impact on the economy and therefore potentially have an impact on earnings and the value and performance of the company's assets. However, at this stage and given the uncertainty surrounding the disease, the possible financial impact on the financial statements cannot be estimated and is therefore not included therein.



## Financial statements 1 January - 31 December

### Income statement

Note	DKK	2019 12 months	2017/18 18 months
	Gross profit	9,111,128	6,415,490
2	Staff costs	-5,297,103	-1,525,296
	Profit before net financials	3,814,025	4,890,194
	Financial income	0	32,952
	Financial expenses	-253,889	-17,491
	Profit before tax	3,560,136	4,905,655
3	Tax for the year	-783,230	-1,079,244
	Profit for the year	<u>2,776,906</u>	<u>3,826,411</u>
	Recommended appropriation of profit		
	Retained earnings	<u>2,776,906</u>	<u>3,826,411</u>

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	<u>2019</u>	<u>2017/18</u>
	<b>ASSETS</b>		
	Non-fixed assets		
	Receivables		
	Trade receivables	0	4,269,013
	Receivables from group enterprises	1,138,798	4,891,329
	Other receivables	202,500	129,000
	Prepayments	1,356	21,981
		<u>1,342,654</u>	<u>9,311,323</u>
	Cash	<u>18,577,341</u>	<u>5,782,695</u>
	Total non-fixed assets	<u>19,919,995</u>	<u>15,094,018</u>
	<b>TOTAL ASSETS</b>	<u>19,919,995</u>	<u>15,094,018</u>
	<b>EQUITY AND LIABILITIES</b>		
	Equity		
	Share capital	50,000	50,000
	Share premium	400,000	400,000
	Retained earnings	6,603,317	3,826,411
	Total equity	<u>7,053,317</u>	<u>4,276,411</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	781,246	2,378,426
	Payables to group enterprises	6,035,555	5,690,714
	Corporation tax payable	1,862,474	1,079,244
	Other payables	4,187,403	1,669,223
		<u>12,866,678</u>	<u>10,817,607</u>
	Total liabilities other than provisions	<u>12,866,678</u>	<u>10,817,607</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u>19,919,995</u>	<u>15,094,018</u>

1 Accounting policies

5 Collateral



## Financial statements 1 January - 31 December

### Statement of changes in equity

DKK	Share capital	Share premium	Retained earnings	Total
Equity at 13 July 2017	50,000	400,000	0	450,000
Transfer through appropriation of profit	0	0	3,826,411	3,826,411
Equity at 1 January 2019	50,000	400,000	3,826,411	4,276,411
Transfer through appropriation of profit	0	0	2,776,906	2,776,906
Equity at 31 December 2019	50,000	400,000	6,603,317	7,053,317

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Hines Nordics ApS for 2019 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

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

#### Material misstatements

During the year, it became apparent that a significant cost of DKK 9.532.846 and revenue DKK 5.665.297 that regarded the previous financial year, had not been recognized in the annual report. The cost and revenue has been recognized as a material misstatement and the comparative figures has been restated. The change to profit/loss for 2017/18 was a deduction from DKK 6.843.100 to DKK 3.826.411. The change to the balance sheet was that the following: payable tax of was change to DKK 1.079.244 from DKK 1.930.104 and payables to group enterprises was changed from DKK 1.823.165 to DKK 5.690.714. Furthermore, the adjustment have had its impact on the Equity, changed from DKK 7.293.100 to DKK 4.276.411.

#### Reporting currency

The financial statements are presented in Danish kroner (DKK).

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate 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 and payables and other monetary items denominated in foreign currencies are translated at the exchange rate 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 most recent financial statements is recognised in the income statement as financial income or financial expenses.

#### Income statement

##### Revenue

Income from the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year (percentage-of-completion method).

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

##### Gross profit

The items revenue and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

##### Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

##### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

##### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

##### Balance sheet

##### Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

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

##### Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Equity

##### Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

##### Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to 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. Deferred tax assets are recognised at the expected value of their utilisation; 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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.



## Financial statements 1 January - 31 December

### Notes to the financial statements

	2019 12 months	2017/18 18 months
DKK		
2 Staff costs		
Wages/salaries	5,178,978	1,428,251
Pensions	0	92,501
Other social security costs	118,125	4,544
	<u>5,297,103</u>	<u>1,525,296</u>
Average number of full-time employees	<u>5</u>	<u>2</u>
3 Tax for the year		
Estimated tax charge for the year	<u>783,230</u>	<u>1,079,244</u>
	<u>783,230</u>	<u>1,079,244</u>

#### 4 Non-current liabilities other than provisions

Of the long-term liabilities, DKK 0 falls due for payment after more than 5 years after the balance sheet date.

#### 5 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2019.