

CBRE A/S

Rued Langgaards Vej 8, 5.
2300 København S
CVR-nr. 14 79 90 79

Årsrapport for 2020

Årsrapporten er fremlagt og godkendt på selskabets ordinære generalforsamling den 21. May 2021

Malene Lysgaard-Hansen

Dirigent

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Statement by management on the annual report

The supervisory and executive boards have today discussed and approved the annual report of CBRE A/S for the financial year 1 January - 31 December 2020.

The annual report is 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 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 our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 21 May 2021

Executive board

Per Alexandar H. G. Weinreich

Supervisory board

Marco Stephan Clemens Hekman
Chairman

Paul Robert Shackleton

Per Alexandar H. G. Weinreich

Christopher David Bailey

Christian Bro Jansen

Independent auditor's report

To the shareholder of CBRE A/S

Opinion

We have audited the financial statements of CBRE A/S for the financial year 1 January - 31 December 2020, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under 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 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 the 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 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 judgement and maintain professional scepticism throughout the audit. We also:

Independent auditor's report

- 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.
- 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.

Independent auditor's report

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.

Copenhagen, 21 May 2021

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Martin Eiler

State Authorised Public Accountant

MNE no. mne32271

Company details

The company

CBRE A/S
Rued Langgaards Vej 8, 5.
2300 København S
Telephone: 70229601
Fax: 35439606
CVR no.: 14 79 90 79
Reporting period: 1 January - 31 December 2020
Incorporated: 19 December 1990
Domicile: Copenhagen

Supervisory board

Marco Stephan Clemens Hekman, chairman
Paul Robert Shackleton
Per Alexandar H. G. Weinreich
Christopher David Bailey
Christian Bro Jansen

Executive board

Per Alexandar H. G. Weinreich

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø

Consolidated financial statements The accounts of the Company are included in the consolidated accounts of CBRE Group Inc. forming the largest body of undertakings of which the Company forms a part as a subsidiary undertaking. The registered office of that company is located at 400, South Hope Street, 25th Floor, Los Angeles, CA 90071 - USA, where the consolidated financial statements are available.

Financial highlights

Seen over a 5-year period, the development of the Company may be described by means of the following financial highlights:

	2020	2019	2018	2017	2016
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Gross profit/loss	77.989	70.447	62.889	73.169	64.670
Profit/loss before net financials	10.109	3.038	-1.972	8.310	11.769
Profit/loss for the year	5.125	165	-1.433	6.822	11.521
Balance sheet					
Balance sheet total	60.217	53.215	59.146	62.113	50.762
Equity	31.772	26.647	26.482	27.915	21.093
Average number of employees	78	84	86	71	55
Return on assets	17,8%	5,4%	-3,3%	14,7%	29,2%
Solvency ratio	52,8%	50,1%	44,8%	44,9%	41,6%

Management's review

Business review

The objective of the Company is to carry out business in the field of real estate services and any other related activities.

Financial review

The company's income statement for the year ended 31 December 2020 shows a profit of TDKK 5.125, and the balance sheet at 31 December 2020 shows equity of TDKK 31.772.

Significant events occurring after the end of the financial year

Management is monitoring the coronavirus outbreak and the market to assess whether any potential changes in the environment in which the company operates may impact the company's operations.

No other events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Expected development of the company

Management expects a profit for 2021 similar to 2020. The coronavirus outbreak could affect the expectations.

Income statement 1 January - 31 December

	<u>Note</u>	<u>2020</u> TDKK	<u>2019</u> TDKK
Gross profit		77.989	70.447
Staff costs	1	<u>-67.490</u>	<u>-66.918</u>
Profit/loss before amortisation/depreciation and impairment losses		10.499	3.529
Depreciation, amortisation and impairment		<u>-390</u>	<u>-491</u>
Profit/loss before net financials		10.109	3.038
Financial costs	2	<u>-3.465</u>	<u>-1.828</u>
Profit/loss before tax		6.644	1.210
Tax on profit/loss for the year	3	<u>-1.519</u>	<u>-1.045</u>
Profit/loss for the year		<u>5.125</u>	<u>165</u>
 Distribution of profit			
Retained earnings		<u>5.125</u>	<u>165</u>
		<u>5.125</u>	<u>165</u>

Balance sheet 31 December

	<u>Note</u>	<u>2020</u> TDKK	<u>2019</u> TDKK
Assets			
Other fixtures and fittings, tools and equipment		602	868
Tangible assets	4	<u>602</u>	<u>868</u>
Other fixed asset investments		1	1
Fixed asset investments		<u>1</u>	<u>1</u>
Total non-current assets		<u>603</u>	<u>869</u>
Trade receivables		24.454	36.646
Receivables from group companies		4.466	3.512
Other receivables		1.952	5.107
Deferred tax asset		54	31
Joint taxation contributions receivable		145	114
Prepayments		1.885	2.866
Receivables		<u>32.956</u>	<u>48.276</u>
Cash at bank and in hand		<u>26.658</u>	<u>4.070</u>
Total current assets		<u>59.614</u>	<u>52.346</u>
Total assets		<u><u>60.217</u></u>	<u><u>53.215</u></u>

Balance sheet 31 December

	<u>Note</u>	<u>2020</u> TDKK	<u>2019</u> TDKK
Equity and liabilities			
Share capital		2.000	2.000
Retained earnings		<u>29.772</u>	<u>24.647</u>
Equity	5	<u>31.772</u>	<u>26.647</u>
Other payables		<u>0</u>	<u>2.503</u>
Total non-current liabilities	6	<u>0</u>	<u>2.503</u>
Banks		0	6
Trade payables		5.378	975
Payables to group companies		1.292	8.162
Other payables		<u>21.775</u>	<u>14.922</u>
Total current liabilities		<u>28.445</u>	<u>24.065</u>
Total liabilities		<u>28.445</u>	<u>26.568</u>
Total equity and liabilities		<u><u>60.217</u></u>	<u><u>53.215</u></u>
Contractual obligations, contingencies, etc.	7		
Related parties and ownership structure	8		

Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2020	2.000	24.647	26.647
Net profit/loss for the year	0	5.125	5.125
Equity at 31 December 2020	<u>2.000</u>	<u>29.772</u>	<u>31.772</u>

Notes

	<u>2020</u>	<u>2019</u>
	TDKK	TDKK
1 Staff costs		
Wages and salaries	67.135	66.343
Other social security costs	<u>355</u>	<u>575</u>
	<u>67.490</u>	<u>66.918</u>
Average number of employees	<u>78</u>	<u>84</u>
2 Financial costs		
Other financial costs	3.275	1.828
Exchange loss	<u>190</u>	<u>0</u>
	<u>3.465</u>	<u>1.828</u>
3 Tax on profit/loss for the year		
Current tax for the year	1.543	870
Deferred tax for the year	-24	197
Adjustment of tax concerning previous years	<u>0</u>	<u>-22</u>
	<u>1.519</u>	<u>1.045</u>

Notes

4 Tangible assets

	Other fixtures and fittings, tools and equipment
Cost at 1 January 2020	2.588
Additions for the year	125
Cost at 31 December 2020	2.713
Impairment losses and depreciation at 1 January 2020	1.721
Depreciation for the year	390
Impairment losses and depreciation at 31 December 2020	2.111
Carrying amount at 31 December 2020	602

5 Equity

There have been no changes in the share capital during the last 5 years.

6 Long term debt

	Debt at 1 January 2020	Debt at 31 December 2020	Instalment next year	Debt outstanding after 5 years
Other payables	2.503	0	0	0
	2.503	0	0	0

Notes

7 Contractual obligations, contingencies, etc.

The Company's rent and lease obligations are as follows. The total rent obligation in the notice period 2021 totals approx. DKK 1,358 Thousand (2019 - DKK 4,3 Million). The total lease obligation is approx. DKK 54 Thousand (2019 - DKK 0,2 Million).

The company is jointly taxed with the other Danish companies in the CBRE group. The Danish companies of the group are jointly and severally liable for the Group's jointly taxed income etc. CBRE A/S' is the administration company in relation to the joint taxation. Furthermore, the Danish companies of the Group are jointly and severally liable for the Danish withholding taxes in the form of dividend tax, royalty tax and interest tax. Any future corrections to the corporate taxes and withholdings taxes may result in the company's tax increasing.

8 Related parties and ownership structure

Transactions

Sale of services to group enterprises, 2020 - DKK 9,693 thousand (2019 - DKK 4,690 thousand). Purchase of services from group enterprises, 2020 - DKK 9,296 thousand, (2019 - DKK 6,209 thousand). Royalties to/from group enterprises, 2020 - DKK - 0.530 thousand, (2019 - DKK -6,171 thousand). The company's balances with group enterprises at December 31, 2020 are recognized in the balance sheet. Further, balances with group enterprises comprise trade balances related to the purchase and sale of services. Purchases of services from group enterprises consists of facility services, management fee, marketing services, shared service centres.

Ownership structure

According to the company's register of shareholders, the following shareholder holds at least 5% of the votes or at least 5% of the share capital:

CBRE Global Acquisition Company SAR, 12c, Impasse Drosbach at L-1882 Luxembourg

Consolidated financial statements

The accounts of the Company are included in the consolidated accounts of CBRE Group Inc. forming the largest body of undertakings of which the Company forms a part as a subsidiary undertaking. The registered office of that company is located at 400, South Hope Street, 25th Floor, Los Angeles, CA 90071 - USA, where the consolidated financial statements are available.

Accounting policies

The annual report of CBRE A/S for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied are consistent with those of last year.

The annual report for 2020 is presented in TDKK

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of CBRE Group Inc.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue less other external expenses.

Revenue

Revenue is related to real estate services and recognised in the income statement at the final acquisition of the right to the fee, when the agreed services been delivered, point in time. The fee is recognised excluding VAT, taxes and discounts in connection with the delivery of services.

Accounting policies

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

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

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

The company is subject to the Danish rules on compulsory joint taxation.

The company acts as management company for all jointly taxed entities and, in its capacity as such, pays all income taxes to the Danish tax authorities.

Balance sheet

Other fixtures and fittings, tools and equipment

Items of other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-5 years	0 %

Accounting policies

The useful life and residual value are re-assessed annually. A change is accounted for as an accounting estimate, and the impact on amortisation/depreciation is recognised going forward.

Impairment of fixed assets

The carrying amount of property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of the net present value and the value in use less expected costs to sell. The net present value is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets and the anticipated net cash flows from the disposal of the asset or group of assets after the end of their useful life.

Receivables

Receivables are measured at amortised cost.

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 is impaired, an impairment loss for that individual asset is recognised.

Receivables for which there is no objective evidence of individual impairment are tested for impairment on a portfolio basis. The portfolios are primarily based on debtors' domicile and credit ratings in accordance with the Company's credit risk management policy. The objective indicators used for portfolios are 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, using the effective interest rate of individual receivables or portfolios of receivables as discount rate.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Equity

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Accounting policies

Income tax and deferred tax

As management company, CBRE A/S is liable for payment of the subsidiaries' corporate income taxes to the tax authorities.

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

The company and all its Danish group entities are taxed on a joint basis. The current income tax charge is allocated between the jointly taxed entities relative to their taxable income. Tax losses are allocated based on the full absorption method. The jointly taxed entities are eligible for the Danish Tax Prepayment Scheme.

Joint taxation contributions payable and receivable are recognised in the balance sheet as 'Joint taxation contributions receivable' or 'Joint taxation contributions payable'.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

Receivables and 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.