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# ***CBRE Corporate Outsourcing ApS***

Rued Langgaards Vej 8, 5., DK-2300 København S

## **Annual Report for 1 January - 31 December 2021**

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CVR No 31 05 82 01

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
20/07 2022

Michael Kerzel Rusborg  
Chairman of the General  
Meeting

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# **Management's Statement**

The Executive and Supervisory Boards have today considered and adopted the Annual Report of CBRE Corporate Outsourcing ApS for the financial year 1 January - 31 December 2021.

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 financial position at 31 December 2021 of the Company and of the results of the Company operations for 2021.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 20 July 2022

## **Executive Board**

Michael Kerzel Rusborg  
Director

## **Supervisory Board**

Michael Kerzel Rusborg  
Chairman

Daniel Kraft

Sylwia Müller

# Independent Auditor's Report

To the Shareholder of CBRE Corporate Outsourcing ApS

## Opinion

We have audited the financial statements of CBRE Corporate Outsourcing 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

# Independent Auditor's Report

decisions of financial statement 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 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 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.

## **Independent Auditor's Report**

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 Financials 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, 20 July 2022

**KPMG**

Statsautoriseret Revisionspartnerselskab

*CVR No 25 57 81 98*

Martin Eiler  
State Authorised Public Accountant  
mne32271

Ilhan Dogan  
State Authorised Public Accountant  
mne47842

## **Company Information**

### **The Company**

CBRE Corporate Outsourcing ApS  
Rued Langgaards Vej 8, 5.  
DK-2300 København S

Telephone: + 45 35265222  
Website: [www.cbre.com](http://www.cbre.com)

CVR No: 31 05 82 01  
Financial period: 1 January - 31 December  
Municipality of reg. office: Copenhagen

### **Supervisory Board**

Michael Kerzel Rusborg, Chairman  
Daniel Kraft  
Sylwia Müller

### **Executive Board**

Michael Kerzel Rusborg

### **Auditors**

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
DK-2100 København Ø

## Financial Highlights

Seen over a five-year period, the development of the Company is described by the following financial highlights:

	2021 TDKK	2020 TDKK	2019 TDKK	2018 TDKK	2017 TDKK
<b>Key figures</b>					
<b>Profit/loss</b>					
Revenue	584.121	531.720	442.788	405.947	427.258
Gross profit/loss	36.729	32.510	24.368	26.991	29.085
Operating profit/loss	5.719	4.713	4.358	4.091	3.854
Net financials	-472	-278	-1.008	-345	-526
Net profit/loss for the year	3.437	3.450	2.762	2.905	2.624
<b>Balance sheet</b>					
Balance sheet total	690.590	319.132	195.283	212.200	236.051
Equity	153.534	25.097	21.647	18.885	15.980
Investment in property, plant and equipment	1.848	226	-1.152	132	0
Number of employees	264	245	230	215	228
<b>Ratios</b>					
Return on assets	0,8%	1,5%	2,2%	1,9%	1,6%
Solvency ratio	22,2%	7,9%	11,1%	8,9%	6,8%
Return on equity	3,8%	14,8%	13,6%	16,7%	17,9%



# Management's Review

## Key activities

The company (CBRE GWS) offers a broad range of integrated services, including facilities, transaction and project management. CBRE GWS is part of CBRE Group, Inc. that represents broader and deeper capabilities than any other company. CBRE Group, Inc. is the leading full-service real estate services and investment organization in the world.

## Development in the year

The income statement of the Company for 2021 shows a profit of TDKK 3,437, and at 31 December 2021 the balance sheet of the Company shows equity of TDKK 153,534. The revenue growth exceeded expectations while profit was realised below expectations.

## Financial review

2021 was a successful year despite the impacts felt by the Covid-19 pandemic. Looking at our plans for 2021, the main downside impact by Covid-19 was felt by lack of New Business Revenue, where due to pandemic-induced postponement of RFI/RFP activities on side of our prospective new clients, the company could not reach the ambitious targets for 2021.

On the existing business however, the company overperformed compared to targets, driven by additional service and projects scope such as extra cleaning and hygiene, we could offset potential pandemic-induced reduction on canteen and catering and existing clients.

On the GWS business alone, the overperformance on existing clients together with tight cost control throughout full 2021 (incl. freeze of travels and other activities) was not sufficient to fully offset the gap from delayed New Business wins.

Strongly increasing the business performance beyond Budget, was the acquisition of Intego A/S, which went live in June 2021 after a thorough Due Diligence. Following a structured integration process, Intego continues running under its own CVR number under ownership of CBRE GWS.

The acquisition of Intego (now CBRE Intego A/S) allows our Danish business building on the strong technical capabilities of the Intego team and has confirmed the high expectations in terms of synergies for growth and financial performance.

With the integration of the two businesses to one service delivery, CBRE GWS has also set a strong basis for growth in 2022.

2021 was also the first year, where our GWS business has entered a more dedicated new organizational setup, with a clearer focus between the different business streams Local FM, Enterprise Accounts, and Data Center Solutions, which took effect 1st January 2021. This has proven to allow the business segments to drive an impressive growth and to service clients' needs even more effectively.

Going forward it is expected that the business will continue to grow as the market for outsourcing of integrated Facilities Management and Real estate services is growing and becoming more mature on the

## **Management's Review**

Nordic market platform. Furthermore, the pipeline for New Business is strong and looks very promising.

Based on these expectations revenue and profit is expected to grow in FY 2022.

### **Special risks apart from generally occurring risks in industry**

#### **Operating risks**

The key operating risk is the ability to provide full-service real estate services to competitive prices. The market is therefore closely monitored, new services are continuously being developed, and potential for increased self-delivery and reduced use of sub-contractors is evaluated.

#### **Financial risks**

The main financial risks relate to still unclear development related to Covid-19, and ongoing savings pressure from clients' side while fulfilling all qualitative requirements and provide a high-class service.

#### **Interest-rate risks**

The company has only a limited exposure to interest rate risks and thus has not taken any form to hedge interest rates.

### **External environment**

The company has focus on reducing garbage and reducing impact on environment in all areas. However, it is the company's perception that it has only limited influence on the external environment.

### **Intellectual capital resources**

The company is an organization based on knowledge where the employees are generally highly educated. To ensure high skills going forward the company uses global and local programs for ongoing development of the employees.

### **Statement of corporate social responsibility**

#### **Policies on social conditions and labor practices**

For corporate social responsibility information on policies related to §99a of the Danish Financial Statements Act, reference is made to the global report at <https://www.cbre.com/about/corporate-responsibility/pillars> by CBRE Group, Inc., 2100 McKinney Avenue, Suite 1250, Dallas, TX 75201.

During 2021, we have not found any breaches to our policies, nor have we identified any materials risks within CSR- related areas.

The company focuses on ensuring a safe and healthy work environment for all employees.

We use various Quality, Health, Safety and Environment measurements to manage the efficiency in our Health & Safety procedures in our operations, internally as well as externally at our customer sites.

The company has performed its yearly Employee Engagement Survey and is together with the People department in close contact with the organization to ensure, that the company is addressing any potential

## **Management's Review**

risks & issues in our ways of working and daily operations that might have a negative impact on the company's staff and well-being. The next Employee Engagement Survey has already been performed in 2022. There have been no accidents or work-related fatalities on-site in 2021.

### **Statement on gender composition**

The board consist of 3 people, two male and one female.

According to the Danish Financial Statements Act § 99b the company live up to the target of equal balance in the board.

According to the Danish Financial Statements Act §99b the company live up to the target of equal balance in the executive management layer, which consists of approx. 50% women and 50% men (minor changes during the year with changes in team composition).

We strive to ensure diversity throughout the different management levels and to achieve an equal balance of genders. We focus on creating a culture, where diversity is embraced and individuals are valued for who they are, and this is considered throughout the recruitment process.

### **Statement on data ethics**

For corporate data privacy policies related to §99d of the Danish Financial Statements Act, reference is made to the global report at <https://www.cbre.com/about/corporate-responsibility/pillars> by CBRE Group, Inc., 2100 McKinney Avenue, Suite 1250, Dallas, TX 75201.

During 2021, we have not found any breaches to our policies, nor have we identified any materials risks within data privacy related areas.

### **Uncertainty relating to recognition and measurement**

A part of the purchase price of Intego A/S consists of a contingent consideration, Earn Out which is linked to EBITDA in the financial year 2021, 2022 and 2023. Depending on the actual level of EBITDA vs the expected the final payment could differ from the expected and the variance could be significant positive as well as negative.

Apart from that recognition and measurement in the Annual Report have not been subject to any uncertainty.

### **Unusual events**

The financial position at 31 December 2021 of the Company and the results of the activities of the Company for the financial year for 2021 have not been affected by any unusual events.

## **Management's Review**

### **Subsequent events**

With the ongoing Covid-19 pandemic, there remains uncertainty around the market and hence company's financial development, which however is expected to not affect any 2021-related activities and reports, but concrete impact on 2022 is under close observation.

No other events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

## Income Statement 1 January - 31 December

	<u>Note</u>	<u>2021</u> TDKK	<u>2020</u> TDKK
<b>Revenue</b>	3	<b>584.121</b>	<b>531.720</b>
Cost of sales	4	<u>-547.392</u>	<u>-499.210</u>
<b>Gross profit/loss</b>		<b>36.729</b>	<b>32.510</b>
Administrative expenses	4	<u>-31.010</u>	<u>-27.797</u>
<b>Operating profit/loss</b>		<b>5.719</b>	<b>4.713</b>
Financial income	5	124	0
Financial expenses	6	<u>-596</u>	<u>-278</u>
<b>Profit/loss before tax</b>		<b>5.247</b>	<b>4.435</b>
Tax on profit/loss for the year	7	<u>-1.810</u>	<u>-985</u>
<b>Net profit/loss for the year</b>		<u><b>3.437</b></u>	<u><b>3.450</b></u>

## Balance Sheet 31 December

### Assets

	Note	2021 TDKK	2020 TDKK
Goodwill		27.751	35.315
Development projects		1.926	3.522
<b>Intangible assets</b>	9	<b>29.677</b>	<b>38.837</b>
Other fixtures and fittings, tools and equipment		2.240	914
<b>Property, plant and equipment</b>	10	<b>2.240</b>	<b>914</b>
Investment in a subsidiary	11	400.592	0
<b>Fixed asset investments</b>		<b>400.592</b>	<b>0</b>
<b>Fixed assets</b>		<b>432.509</b>	<b>39.751</b>
Trade receivables		215.674	214.245
Contract work in progress		341	344
Receivables from group enterprises		24.625	4.313
Other receivables		22	764
Prepayments	12	4.581	3.871
<b>Receivables</b>		<b>245.243</b>	<b>223.537</b>
<b>Cash at bank and in hand</b>		<b>12.838</b>	<b>55.844</b>
<b>Currents assets</b>		<b>258.081</b>	<b>279.381</b>
<b>Assets</b>		<b>690.590</b>	<b>319.132</b>

# Balance Sheet 31 December

## Liabilities and equity

	Note	2021 TDKK	2020 TDKK
Share capital	13	125	125
Reserve for development costs		1.502	2.747
Retained earnings		151.907	22.225
<b>Equity</b>		<b>153.534</b>	<b>25.097</b>
Provision for deferred tax	14	5.076	4.353
Other provisions	15	72.300	0
<b>Provisions</b>		<b>77.376</b>	<b>4.353</b>
Payables to group enterprises		275.000	0
<b>Long-term debt</b>	16	<b>275.000</b>	<b>0</b>
Trade payables		107.857	75.144
Payables to group enterprises	16	6.256	173.611
Corporation tax		1.087	0
Other payables		40.680	40.927
Other short-term provisions		28.800	0
<b>Short-term debt</b>		<b>184.680</b>	<b>289.682</b>
<b>Debt</b>		<b>459.680</b>	<b>289.682</b>
<b>Liabilities and equity</b>		<b>690.590</b>	<b>319.132</b>
Uncertainties concerning recognition and measurement	1		
Subsequent events	2		
Distribution of profit	8		
Contingent assets, liabilities and other financial obligations	17		
Related parties	18		
Accounting Policies	19		

## Statement of Changes in Equity

	Share capital	Reserve for development costs	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	125	2.747	22.225	25.097
Contribution from group	0	0	125.000	125.000
Other equity movements	0	0	1.245	1.245
Depreciation, amortisation and impairment for the year	0	-1.245	0	-1.245
Net profit/loss for the year	0	0	3.437	3.437
<b>Equity at 31 December</b>	<b>125</b>	<b>1.502</b>	<b>151.907</b>	<b>153.534</b>



# Notes to the Financial Statements

## 1 Uncertainties concerning recognition and measurement

A part of the purchase price of Intego A/S consists of a contingent consideration, Earn Out which is linked to EBITDA in the financial year 2021, 2022 and 2023. Depending on the actual level of EBITDA vs the expected the final payment could differ from the expected and the variance could be significant positive as well as negative.

## 2 Subsequent events

With the ongoing Covid-19 pandemic, there remains uncertainty around the market and hence company's financial development, which however is expected to not affect any 2021-related activities and reports, but concrete impact on 2022 is under close observation.

No other events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

	<u>2021</u> TDKK	<u>2020</u> TDKK
<b>3 Revenue</b>		
<b>Geographical segments</b>		
Revenue, Denmark	<u>584.121</u>	<u>531.720</u>
	<b><u>584.121</u></b>	<b><u>531.720</u></b>
<b>Business segments</b>		
Asset Management	<u>584.121</u>	<u>531.720</u>
	<b><u>584.121</u></b>	<b><u>531.720</u></b>

## Notes to the Financial Statements

	2021 <u>TDKK</u>	2020 <u>TDKK</u>
<b>4 Staff</b>		
Wages and Salaries	153.186	151.244
Pensions	15.696	11.647
Other social security expenses	2.303	2.197
Other staff expenses	7.493	8.199
	<u><b>178.678</b></u>	<u><b>173.287</b></u>
Wages and Salaries, pensions, other social security expenses and other staff expenses are recognised in the following items:		
Cost of sales	150.350	146.268
Administrative expenses	28.328	27.019
	<u><b>178.678</b></u>	<u><b>173.287</b></u>
Including remuneration to the Executive and Supervisory Boards of:		
Executive Board	3.329	2.424
Supervisory Board	100	120
	<u><b>3.429</b></u>	<u><b>2.544</b></u>
<b>Average number of employees</b>	<u><b>264</b></u>	<u><b>245</b></u>
<b>5 Financial income</b>		
Exchange gains	124	0
	<u><b>124</b></u>	<u><b>0</b></u>
<b>6 Financial expenses</b>		
Interest paid to group enterprises	202	0
Other financial expenses	341	259
Exchange loss	53	19
	<u><b>596</b></u>	<u><b>278</b></u>

## Notes to the Financial Statements

	2021 <u>TDKK</u>	2020 <u>TDKK</u>
<b>7 Tax on profit/loss for the year</b>		
Current tax for the year	1.087	0
Deferred tax for the year	324	985
Adjustment of deferred tax concerning previous years	399	0
	<u><b>1.810</b></u>	<u><b>985</b></u>
 <b>8 Distribution of profit</b>		
Transfer for the year to other reserves	0	552
Retained earnings	3.437	2.898
	<u><b>3.437</b></u>	<u><b>3.450</b></u>
 <b>9 Intangible assets</b>		
	Goodwill <u>TDKK</u>	Development projects <u>TDKK</u>
Cost at 1 January	<u>75.649</u>	<u>6.544</u>
Cost at 31 December	<u>75.649</u>	<u>6.544</u>
Impairment losses and amortisation at 1 January	40.334	3.022
Amortisation for the year	7.564	1.596
Impairment losses and amortisation at 31 December	<u>47.898</u>	<u>4.618</u>
<b>Carrying amount at 31 December</b>	<u><b>27.751</b></u>	<u><b>1.926</b></u>

Development projects relate to the incremental cost in obtaining the revenue contracts. Management has not identified any indication of impairment in relation to the carrying amount of the development projects.

# Notes to the Financial Statements

## 10 Property, plant and equipment

	Other fixtures and fittings, tools and equipment TDKK
Cost at 1 January	1.471
Additions for the year	<u>1.848</u>
Cost at 31 December	<u>3.319</u>
Impairment losses and depreciation at 1 January	557
Depreciation for the year	<u>522</u>
Impairment losses and depreciation at 31 December	<u>1.079</u>
<b>Carrying amount at 31 December</b>	<b><u>2.240</u></b>

	2021 TDKK	2020 TDKK
<b>11 Investment in a subsidiary</b>		
Cost at 1 January	0	0
Additions for the year	<u>400.592</u>	<u>0</u>
<b>Carrying amount at 31 December</b>	<b><u>400.592</u></b>	<b><u>0</u></b>

Investment in a subsidiary are specified as follows:

Name	Place of registered office	Votes and ownership	Equity	Net profit/loss for the year
CBRE Intego A/S	Aalborg, Denmark	100%	59.126	20.294

## 12 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest as well as fair value adjustments of derivative financial instruments with a positive fair value.

# Notes to the Financial Statements

## 13 Share capital

The share capital consists of 125,000 shares of a nominal value of TDKK 1. No shares carry any special rights.

	<u>2021</u> TDKK	<u>2020</u> TDKK
<b>14 Provision for deferred tax</b>		
Provision for deferred tax at 1 January	4.353	3.368
Amounts recognised in the income statement for the year	<u>723</u>	<u>985</u>
<b>Provision for deferred tax at 31 December</b>	<b><u>5.076</u></b>	<b><u>4.353</u></b>

## 15 Other provisions

Other provisions comprise the part of the Earn Out obligation which is linked to EBITDA in the financial year's 2021 to 2023. Reference is made to note 1, Uncertainties concerning recognition and measurement.

Other short-term provisions constitute TDKK 28,800.

Other long-term provisions	<u>72.300</u>	<u>0</u>
	<b><u>72.300</u></b>	<b><u>0</u></b>

## 16 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

### Payables to group enterprises

Between 1 and 5 years	<u>275.000</u>	<u>0</u>
Long-term part	<u>275.000</u>	<u>0</u>
Other short-term debt to group enterprises	<u>6.256</u>	<u>173.611</u>
	<b><u>281.256</u></b>	<b><u>173.611</u></b>

## Notes to the Financial Statements

	2021 TDKK	2020 TDKK
<b>17 Contingent assets, liabilities and other financial obligations</b>		
<b>Rental and lease obligations</b>		
Lease obligations under operating leases. Total future lease payments:		
Operational lease, rent and vendor obligations	11.372	7.754
	<b>11.372</b>	<b>7.754</b>

### Other contingent liabilities

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of CBRE A/S, which is the management company of the joint taxation purposes. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on un-earned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

## 18 Related parties

	<b>Basis</b>
<b>Controlling interest</b>	
CBRE Group, Inc.	Ultimate parent company
Relam Amsterdam Holdings B.V.	Parent company
CBRE Intego A/S	Subsidiary

# Notes to the Financial Statements

## 18 Related parties (continued)

### Transactions

During the year, the Company had the following transactions with group enterprises:

Purchase of services from group enterprises, 2021 - DKK -3.682 thousand, (2020 - DKK -5.697 thousand).

Sale of services to group enterprises, 2021 - DKK 5.658 thousand, (2020 - DKK 7.195 thousand).

Royalties to group enterprises, 2021 - DKK -29,284 thousand, (2020 - DKK -19,705 thousand).

Interest to group enterprises, 2021 - DKK -202 thousand, (2020 - DKK 0).

The Company's balances with group enterprises at December 31, 2021 are recognized in the balance sheet.

Interest income and expenses with respect to group enterprises are disclosed in note 6. Further, balances with group enterprises comprise trade balances related to the purchase and sale of goods and services and loan from group enterprises.

Purchases of services group enterprises consists of facility services, management fee, marketing services, share service centers.

No transactions have been carried out with the Board of Directors, the Executive Management, senior employees, major shareholders or other related parties, apart from ordinary remuneration.

### Consolidated Financial Statements

The company is included in the Group annual report of

<u>Name</u>	<u>Place of registered office</u>
CBRE Group, Inc.	2100 McKinney Avenue, Suite 1250, Dallas, TX 75201, USA
Relam Amsterdam Holdings B.V.	Prinse Bernhardplein 200, 1097JB Amsterdam, Netherlands

The Group Annual Report of CBRE Group, Inc. may be obtained at the following address:

2100 McKinney Avenue, Suite 1250, Dallas, TX 75201, USA

The Group Annual Report of Relam Amsterdam Holdings B.V. may be obtained at the following address:

Prinse Bernhardplein 200, 1097JB Amsterdam, Netherlands

# Notes to the Financial Statements

## 19 Accounting Policies

The Annual Report of CBRE Corporate Outsourcing ApS for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2021 are presented in TDKK.

### Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of CBRE Group, Inc., the Company has not prepared consolidated financial statements.

### Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of CBRE Group, Inc., the Company has not prepared a cash flow statement.

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset 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 out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.



# Notes to the Financial Statements

## 19 Accounting Policies (continued)

### Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

### Revenue

Information on business segments and geographical segments based on the Company's risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

## Income Statement

### Revenue

Income for services is recognised on a straightline basis at delivery.

### Cost of sales

Cost of sales comprises costs incurred to achieve revenue for the year. Cost comprises consumables, direct labour costs and indirect costs such as maintenance and depreciation, etc, as well as operation and administration.

Cost of sales also includes research and development costs that do not qualify for capitalisation as well as amortisation of capitalised development costs.

### Administrative expenses

Administrative expenses comprise expenses for management, administrative staff, office expenses and depreciation.

In pursuance of section 96,3 of the Danish Financial Statements Act, the company does not disclose the fee for auditors.

# Notes to the Financial Statements

## 19 Accounting Policies (continued)

### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

### Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Danish affiliated companies. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

## Balance Sheet

### Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 10 years. The amortisation period is based on an assessment of the acquiree's market position and earnings capacity.

Development costs comprise costs, wages, salaries and amortisation directly and indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are evidenced, and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses as well as development costs. Other development costs are recognised in the income statement as incurred.

Development costs recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Upon completion of development work, development costs are amortised on a straight-line basis over the estimated useful lives.

The amortisation period is usually 5 years.

### Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

# Notes to the Financial Statements

## 19 Accounting Policies (continued)

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Where individual components of an item of property, plant and equipment have different useful lives, and the individual component is a significant part of the total costs, the cost is divided into separate components, which are depreciated separately.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	5	years
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The fixed assets' residual values are determined at nil.

Depreciation is recognised as production cost, distribution cost and administrative expenses in the income statement.

Gains or 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 recognised as operating income or other operating costs, respectively in the income statement.

### Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

### Investment in a subsidiary

Investments in a subsidiary is measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

The cost include an element of contingent consideration, that is measured at net realizable value. Any value adjustments are recognised in the income statement.

### Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

# Notes to the Financial Statements

## 19 Accounting Policies (continued)

### **Contract work in progress**

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

### **Prepayments**

Prepayments comprise prepaid expenses related to the subsequent financial year.

### **Equity**

#### ***Dividend***

Dividend distribution proposed by Management for the year is disclosed as a separate equity item. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

### **Provisions**

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions include Earn Out obligations related to the investment in a subsidiary.

### **Deferred tax assets and liabilities**

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against

# Notes to the Financial Statements

## 19 Accounting Policies (continued)

deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

### Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account.

### Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

## Financial Highlights

### Explanation of financial ratios

Solvency ratio

$$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$$

Return on equity

$$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$$