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# ***CBRE GWS Denmark ApS***

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

## **Annual Report for 1 January - 31 December 2022**

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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  
29/6 2023

Michael Kerzel Rusborg  
Chairman of the General  
Meeting

# Contents

	<u>Page</u>
<b>Management's Statement and Auditor's Report</b>	
Management's Statement	1
Independent Auditor's Report	2
<b>Management's Review</b>	
Company Information	5
Financial Highlights	6
Management's Review	7
<b>Financial Statements</b>	
Income Statement 1 January - 31 December	11
Balance Sheet 31 December	12
Statement of Changes in Equity	14
Notes to the Financial Statements	15

# **Management's Statement**

The Executive and Supervisory Boards have today considered and adopted the Annual Report of CBRE GWS Denmark ApS for the financial year 1 January - 31 December 2022.

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 2022 of the Company and of the results of the Company operations for 2022.

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, 29 June 2023

## **Executive Board**

Michael Kerzel Rusborg  
Director

## **Supervisory Board**

Michael Kerzel Rusborg  
Chairman

Peter Bartholdt Bach-Fisker

Sylwia Müller

# Independent Auditor's Report

To the Shareholder of CBRE GWS Denmark ApS

## Opinion

We have audited the financial statements of CBRE GWS Denmark ApS for the financial year 1 January – 31 December 2022 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 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022 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, 29 June 2023

**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 GWS Denmark 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  
Peter Bartholdt Bach-Fisker  
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:

	2022	2021	2020	2019	2018
	TDKK	TDKK	TDKK	TDKK	TDKK
<b>Key figures</b>					
<b>Profit/loss</b>					
Revenue	661.797	584.121	531.720	442.788	405.947
Gross profit/loss	47.398	36.729	32.510	24.368	26.991
Operating profit/loss	5.807	5.719	4.713	4.358	4.091
Profit/loss before financial income and expenses	5.692	5.719	4.713	4.358	4.091
Net financials	-8.819	-472	-278	-1.008	-345
Net profit/loss for the year	-2.475	3.437	3.450	2.762	2.905
<b>Balance sheet</b>					
Balance sheet total	723.634	690.590	319.132	195.283	212.200
Equity	151.059	153.534	25.097	21.647	18.885
Investment in property, plant and equipment	207	1.848	-915	-1.152	132
Number of employees	291	264	245	230	215
<b>Ratios</b>					
Return on assets	0,8%	0,8%	1,5%	2,2%	1,9%
Solvency ratio	20,9%	22,2%	7,9%	11,1%	8,9%
Return on equity	-1,6%	3,8%	14,8%	13,6%	16,7%



# 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 2022 shows a loss of TDKK 2,475, and at 31 December 2022 the balance sheet of the Company shows equity of TDKK 151,059. The revenue growth exceeded expectations while profit was realised below expectations.

## Financial review

2022 was a successful year with an organic growth of 14%, driven by additional service and projects scope. On the GWS business alone overperformance on existing clients together with a continued tight cost control were the foundation of the profit generation.

The acquisition of Intego (now CBRE Teknisk Servicepartner A/S) as at 31 May 2021 and the increase in interest rate levels have had a significant impact on the financial expenses increasing to TDKK 8,747. Furthermore, 2022 includes a negative adjustment of the earn-out associated with Intego (now CBRE Teknisk Servicepartner A/S) of TDKK 115.

With the continued integration of the two businesses following the acquisition of Intego (now CBRE Teknisk Servicepartner A/S) to one service delivery, CBRE GWS has also set a strong basis for growth in 2023. The acquisition has led to a wider and deeper market recognition as well as a host of positive synergy effects.

Going forward it is expected that the business will continue to grow as the market is growing and becoming more mature on the Nordic market platform. Furthermore, the pipeline for New Business is strong and looks very promising.

Revenue is expected to grow and reach DKK 700 – 840 million in 2023. Revenue expectation for 2023 is based on a strong order book and an assumed partial normalization of the global economy, however with uncertainty regarding demand due to the macroeconomic volatility.

EBITDA is expected to be DKK 47 - 57 million based on the revenue outlook above.

## 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.

# Management's Review

## Financial risks

As a result of the Russian invasion of Ukraine, impacts on the regional and global economy are still uncertain and difficult to assess in terms of duration and severity. The market uncertainty could have an adverse impact on the Company, including but not limited to the fair value of its investments and / or cash flow. The potential impact of this cannot yet be fully and reliably estimated. The Company will continue to monitor market conditions as information becomes available and to evaluate the potential impact, if any, on the value of the Company's real estate investments and its operations going forward.

## 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, reference is made to the global report by CBRE Group, Inc., 2100 McKinney Avenue, Suite 1250, Dallas, TX 75201 according to the Danish Financial Statements Act section 99 a, (7). The report can be found at: <https://www.cbre.com/about-us/corporateresponsibility>

During 2022, 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 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 2023. There have been no accidents or work-related fatalities on-site in 2022.

# Management's Review

## 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.

The management levels with supervision currently consist of 35% females and 65% males. CBRE GWS Danmark will continue focus on an equal representation of gender going forward.

CBRE GWS continuously strives for all employees to experience equal opportunities for development, internal career advancement and promotions. All positions are posted internally, and the company encourages all relevant candidates to apply, regardless of gender. Any promotion is based on the job's required criteria – Competence, value creation and attitude – but the company also has a strong focus on promoting diversity at all levels, placing emphasis on identifying and promoting all talents for specialist positions as well as management positions.

When employing and promoting managers, we strive to have both genders represented among the final candidates this both in 2022 and going forward in the future.

The qualitative goals are identical for all two management levels and are:

All employees in the company should feel that they have equal opportunities for career advancement and management positions.

Employees should experience an open and unbiased culture at CBRE GWS Danmark, where everyone can leverage his or her skills regardless of gender or race. This is supported by CBRE GWS Danmark's equal opportunity policies, locally as well as globally.

## 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-us/corporate-responsibility> by CBRE Group, Inc., 2100 McKinney Avenue, Suite 1250, Dallas, TX 75201.

During 2022, we have not found any breaches to our policies, nor have we identified any materials risks within data privacy related areas.

# **Management's Review**

## **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 2022 of the Company and the results of the activities of the Company for the financial year for 2022 have not been affected by any unusual events.

## **Subsequent events**

In June 2023, the Company entered into a settlement agreement to settle the earnout provision for FY23. Consequently, the earnout provision will be settled in Q3 2023 without any financial impact. Otherwise, no events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

## Income Statement 1 January - 31 December

	Note	2022 TDKK	2021 TDKK
<b>Revenue</b>	3	<b>661.797</b>	<b>584.121</b>
Cost of sales	4	-614.399	-547.392
<b>Gross profit/loss</b>		<b>47.398</b>	<b>36.729</b>
Administrative expenses	4	-41.591	-31.010
<b>Operating profit/loss</b>		<b>5.807</b>	<b>5.719</b>
Other operating expenses	5	-115	0
<b>Profit/loss before financial income and expenses</b>		<b>5.692</b>	<b>5.719</b>
Financial income	6	87	124
Financial expenses	7	-8.906	-596
<b>Profit/loss before tax</b>		<b>-3.127</b>	<b>5.247</b>
Tax on profit/loss for the year	8	652	-1.810
<b>Net profit/loss for the year</b>		<b>-2.475</b>	<b>3.437</b>

# Balance Sheet 31 December

## Assets

	Note	2022 TDKK	2021 TDKK
Goodwill		20.184	27.751
Development projects		1.300	1.926
<b>Intangible assets</b>	9	<b>21.484</b>	<b>29.677</b>
Other fixtures and fittings, tools and equipment		1.554	2.240
<b>Property, plant and equipment</b>	10	<b>1.554</b>	<b>2.240</b>
Investment in a subsidiary	11	400.592	400.592
<b>Fixed asset investments</b>		<b>400.592</b>	<b>400.592</b>
<b>Fixed assets</b>		<b>423.630</b>	<b>432.509</b>
Trade receivables		257.214	215.674
Contract work in progress		62	341
Receivables from group enterprises		12.113	24.625
Other receivables		22	22
Prepayments	12	4.658	4.581
<b>Receivables</b>		<b>274.069</b>	<b>245.243</b>
<b>Cash at bank and in hand</b>		<b>25.935</b>	<b>12.838</b>
<b>Currents assets</b>		<b>300.004</b>	<b>258.081</b>
<b>Assets</b>		<b>723.634</b>	<b>690.590</b>

# Balance Sheet 31 December

## Liabilities and equity

	Note	2022 TDKK	2021 TDKK
Share capital	13	125	125
Reserve for development costs		1.014	1.502
Retained earnings		149.920	151.907
<b>Equity</b>		<b>151.059</b>	<b>153.534</b>
Provision for deferred tax	15	4.424	5.076
Other provisions	16	44.000	72.300
<b>Provisions</b>		<b>48.424</b>	<b>77.376</b>
Payables to group enterprises		275.000	275.000
<b>Long-term debt</b>	17	<b>275.000</b>	<b>275.000</b>
Trade payables		138.428	107.857
Payables to group enterprises	17	35.127	6.256
Payables to group enterprises relating to corporation tax		687	1.087
Other payables		38.963	40.680
Other short-term provisions	16	35.946	28.800
<b>Short-term debt</b>		<b>249.151</b>	<b>184.680</b>
<b>Debt</b>		<b>524.151</b>	<b>459.680</b>
<b>Liabilities and equity</b>		<b>723.634</b>	<b>690.590</b>
Uncertainties concerning recognition and measurement	1		
Subsequent events	2		
Distribution of profit	14		
Contingent assets, liabilities and other financial obligations	18		
Related parties	19		
Accounting Policies	20		

## Statement of Changes in Equity

	Share capital	Reserve for development costs	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	125	1.502	151.907	153.534
Depreciation, amortisation and impairment for the year	0	-488	488	0
Net profit/loss for the year	0	0	-2.475	-2.475
<b>Equity at 31 December</b>	<b>125</b>	<b>1.014</b>	<b>149.920</b>	<b>151.059</b>



# Notes to the Financial Statements

## 1 Uncertainties concerning recognition and measurement

A part of the purchase price of CBRE Teknisk Servicepartner A/S (previously Intego A/S) consists of a contingent consideration, Earn Out which is linked to EBITDA in the financial year 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. In 2022 there has been an adjustment of DKK 0,1 million of the Earn Out provision made as of Dec 31, 2021. The amount has in 2022 been recognised in the income statement as other operating expenses.

## 2 Subsequent events

In June 2023, the Company entered into a settlement agreement to settle the earnout provision for FY23. Consequently, the earnout provision will be settled in Q3 2023 without any financial impact. Otherwise, no events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

	<u>2022</u> TDKK	<u>2021</u> TDKK
<b>3 Revenue</b>		
<b>Geographical segments</b>		
Revenue, Denmark	661.797	584.121
	<b>661.797</b>	<b>584.121</b>
<b>Business segments</b>		
Facility Management	554.913	493.046
Project Management	106.884	91.075
	<b>661.797</b>	<b>584.121</b>

## Notes to the Financial Statements

	2022	2021
	TDKK	TDKK
<b>4 Staff</b>		
Wages and Salaries	181.957	153.186
Pensions	15.868	15.696
Other social security expenses	1.882	2.303
Other staff expenses	10.679	7.493
	<b>210.386</b>	<b>178.678</b>
Wages and Salaries, pensions, other social security expenses and other staff expenses are recognised in the following items:		
Cost of sales	168.421	150.350
Administrative expenses	41.965	28.328
	<b>210.386</b>	<b>178.678</b>
<b>Average number of employees</b>	<b>291</b>	<b>264</b>
Remuneration to the Executive and Supervisory Boards has not been disclosed for 2022 in accordance with section 98 B(3) of the Danish Financial Statements Act.		
For 2021 the remuneration to the Executive and Supervisory Boards was disclosed as:		
Executive Board, TDKK 3.329		
Supervisory Board, TDKK 100		
<b>5 Other operating expenses</b>		
Adjustment of Earn Out consideration	115	0
	<b>115</b>	<b>0</b>
<b>6 Financial income</b>		
Exchange gains	87	124
	<b>87</b>	<b>124</b>

## Notes to the Financial Statements

	2022 <u>TDKK</u>	2021 <u>TDKK</u>
<b>7 Financial expenses</b>		
Interest paid to group enterprises	8.747	202
Other financial expenses	86	341
Exchange loss	73	53
	<u><b>8.906</b></u>	<u><b>596</b></u>
<b>8 Tax on profit/loss for the year</b>		
Current tax for the year	0	1.087
Deferred tax for the year	-652	324
Adjustment of deferred tax concerning previous years	0	399
	<u><b>-652</b></u>	<u><b>1.810</b></u>
<b>9 Intangible assets</b>		
	Goodwill	Development projects
	<u>TDKK</u>	<u>TDKK</u>
Cost at 1 January	75.648	6.544
Transfers for the year	0	-3.842
Cost at 31 December	<u>75.648</u>	<u>2.702</u>
Impairment losses and amortisation at 1 January	47.899	4.618
Amortisation for the year	7.565	586
Transfers for the year	0	-3.802
Impairment losses and amortisation at 31 December	<u>55.464</u>	<u>1.402</u>
<b>Carrying amount at 31 December</b>	<u><b>20.184</b></u>	<u><b>1.300</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	3.319
Additions for the year	<u>207</u>
Cost at 31 December	<u>3.526</u>
Impairment losses and depreciation at 1 January	1.079
Depreciation for the year	<u>893</u>
Impairment losses and depreciation at 31 December	<u>1.972</u>
<b>Carrying amount at 31 December</b>	<b><u>1.554</u></b>

	2022 TDKK	2021 TDKK
<b>11 Investment in a subsidiary</b>		
Cost at 1 January	400.592	0
Additions for the year	<u>0</u>	<u>400.592</u>
<b>Carrying amount at 31 December</b>	<b><u>400.592</u></b>	<b><u>400.592</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 Teknisk Servicepartner A/S	Aalborg, Denmark	100%	91.311	32.185

(Amounts in TDKK)

## 12 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums and subscriptions.

# 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.

	2022 TDKK	2021 TDKK
<b>14 Distribution of profit</b>		
Retained earnings	-2.475	3.437
	<b>-2.475</b>	<b>3.437</b>

## 15 Provision for deferred tax

Provision for deferred tax at 1 January	5.076	4.353
Amounts recognised in the income statement for the year	-652	723
<b>Provision for deferred tax at 31 December</b>	<b>4.424</b>	<b>5.076</b>

## 16 Other provisions

Other provisions comprise the part of the Earn Out obligation which is linked to EBITDA in the financial year's 2022 to 2023. Reference is made to note 1, Uncertainties concerning recognition and measurement.

Other short-term provisions constitute TDKK 35.946 (2021: TDKK 28.800).

Other long-term provisions	44.000	72.300
	<b>44.000</b>	<b>72.300</b>

In June 2023, the Company entered into a settlement agreement to settle the earnout provision for FY23. Consequently, the earnout provision will be settled in Q3 2023 without any financial impact.

# Notes to the Financial Statements

## 17 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:

	<u>2022</u> TDKK	<u>2021</u> TDKK
<b>Payables to group enterprises</b>		
Between 1 and 5 years	<u>275.000</u>	<u>275.000</u>
Long-term part	275.000	275.000
Other short-term debt to group enterprises	<u>35.127</u>	<u>6.256</u>
	<b><u>310.127</u></b>	<b><u>281.256</u></b>

Included in Other short-term debt to group enterprises is an amount of TDKK 31.468 related to a CBRE group cash pool arrangement. (2021: TDKK 13.729 as Receivable from group enterprises).

## 18 Contingent assets, liabilities and other financial obligations

### Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Operational lease and rent	<u>11.841</u>	<u>11.372</u>
	<b><u>11.841</u></b>	<b><u>11.372</u></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.

# Notes to the Financial Statements

## 19 Related parties

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

### Transactions

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

Purchase of services from group enterprises, 2022 - DKK -35.786 thousand, (2021 - DKK -3.682 thousand).

Sale of services to group enterprises, 2022 - DKK 1.332 thousand, (2021 - DKK 5.658 thousand).

Royalties to group enterprises, 2022 - DKK -20,693 thousand, (2021 - DKK -29,284 thousand).

Interest to group enterprises, 2022 - DKK -8.747 thousand, (2021 - DKK -202).

Other service charges, 2022 - DKK -1.583, (2021 - DKK 0)

The Company's balances with group enterprises at December 31, 2022 are recognized in the balance sheet.

Interest income and expenses with respect to group enterprises are disclosed in notes 6 and 7. 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

## Notes to the Financial Statements

### 19 Related parties (continued)

Relam Amsterdam Holdings B.V.

Prinse Berhardplein 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 Berhardplein 200, 1097JB Amsterdam, Netherlands



# Notes to the Financial Statements

## 20 Accounting Policies

The Annual Report of CBRE GWS Denmark ApS for 2022 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 2022 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

## 20 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

## 20 Accounting Policies (continued)

### Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale 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 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.

# Notes to the Financial Statements

## 20 Accounting Policies (continued)

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.

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.

# Notes to the Financial Statements

## 20 Accounting Policies (continued)

### **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.

### **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.

# Notes to the Financial Statements

## 20 Accounting Policies (continued)

### 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 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

Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$