

ERIF Karlslunde ApS

C/O 31281 Newsec PAM Denmark A/S
Lyngby Hovedgade 4
2800 Kongens Lyngby

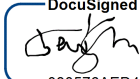
CVR No. 39723425

Annual Report 2022

4. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 1 June 2023

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Åke Anders Henrik Skoog
Chairman

ERIF Karlslunde ApS

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ERIF Karlslunde ApS

Management's Statement

Today, Management has considered and adopted the Annual Report of ERIF Karlslunde ApS for the financial year 1 January 2022 - 31 December 2022.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January 2022 - 31 December 2022.

In our opinion, the 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.

Stockholm, 1 June 2023

Executive Board

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John Åke Marcus Arvidsson
Executive officer

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Åke Anders Henrik Skoog
Executive officer

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Jenny Karin Elisabet Tuleby
Executive officer

ERIF Karlslunde ApS

Independent Auditors' Report

To the shareholders of ERIF Karlslunde ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company 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.

We have audited the Financial Statements of ERIF Karlslunde ApS for the financial year 1 January - 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes ("financial statements").

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.

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.

Based on the work we have performed, in our view, 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 in Management's Review.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance 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

ERIF Karlslunde ApS

Independent Auditors' Report

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 judgment and maintain professional skepticism 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.

Hellerup, 1 June 2023

**PricewaterhouseCoopers Statsautoriseret
Revisionspartnerselskab**

CVR-no. 33773188

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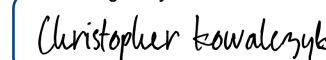
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Maj-Britt Nørskov Nannestad

State Authorised Public Accountant

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Christopher Kowalczyk

State Authorised Public Accountant

mne47863

ERIF Karlslunde ApS

Company details

Company	ERIF Karlslunde ApS C/O 31281 Newsec PAM Denmark A/S Lyngby Hovedgade 4 2800 Kongens Lyngby
CVR No.	39723425
Date of formation	11 July 2018
Financial year	1 January 2022 - 31 December 2022
Executive Board	John Åke Marcus Arvidsson Åke Anders Henrik Skoog Jenny Karin Elisabet Tuleby
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Standvejen 44 2900 Hellerup CVR-no.: 33773188

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Management's Review

The Company's principal activities

The Company's principal activities consist in investing in real estate, including buying and and selling real estate, including but not limited to financing the acquisition of real estate by taking out loans, and direct or indirect holding of capital shares in companies in the Grand Duchy of Luxembourg or abroad.

Development in the activities and the financial situation of the Company

In the financial year there has been a material change in activity, in that the investment property is finalized and let.

The Company's Income Statement of the financial year 1 January 2022 - 31 December 2022 shows a result of DKK 94.753.569 and the Balance Sheet at 31 December 2022 a balance sheet total of DKK 319.896.380 and an equity of DKK 146.119.368.

Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

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Accounting Policies

Reporting Class

The annual report of ERIF Karlslunde ApS for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, with the adoption of individual rules from class C.

The accounting policies applied remain unchanged from last year.

Reporting currency

The annual report is presented in Danish kroner.

General information

Basis of recognition and measurement

Income is recognised in the income statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortized cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortization, 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 accrue 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 attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are 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 term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the financial statement, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Income statement

Gross profit/loss

The Company has decided to aggregate certain items of the income statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit is a combination of rental income, other operating income, costs related to the rental income and other external expenses.

Rental income

Rental income is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end and if the rental income can be reliably calculated and expected to be received. Rental income is recognised excluding VAT and all discounts granted are recognised in revenue.

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Accounting Policies

Other external expenses

Other external expenses include expenses for distribution, sales, advertising, administration, premises, bad debts, operating leasing expenses etc.

Fair value adjustment of investment assets and debts

Adjustments of investment assets and debts measured at fair value are recognised as a separate item in the income statement.

Financial income and expenses

Financial income and expenses are recognised in the income statement based at the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses.

Tax on net profit for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

The Company and the Danish associates are taxed jointly. The Danish income tax is distributed between profit- and loss-making Danish enterprises in relation to their taxable income (full distribution).

Balance sheet

Investment property in progress

Land and buildings are measured at cost. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investment property

Investment property comprises investment in land and buildings for the purpose of achieving a return on the invested capital in the form of regular operating income and a capital gain on resale.

On initial recognition, investment properties are measured at cost, which comprises the cost of the property and any directly related expenses.

Investment properties are subsequently measured at their value. The fair value of the properties is reassessed annually based on the return-based valuation model.

The fair value is determined based on the net return on commercial properties located in the same geographical area as the properties. Net return is calculated taking into consideration the existing leases, the state of repair of the properties and the budget for the next year.

Net return is calculated as total rental income less direct costs for property taxes, insurance, maintenance and housing management incurred on the investment properties divided by the carrying amounts of the investment properties less deposits.

Change in fair value are recognised in the income statement under value adjustment of investment properties.

As the investment properties are measured at fair value, they are not depreciated.

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Accounting Policies

Receivables

Receivables are measured at amortized cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Accrued income, assets

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallize as current tax.

Current tax liabilities

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

Liabilities

Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortized cost, corresponding to the capitalized value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the income statement over the life of the financial instrument.

Mortgage debt is accordingly measured at amortized cost, corresponding to the outstanding balance in case of cash loans. In case of bond loans, amortized cost corresponds to the outstanding balance determined as the underlying cash value of the loans at the time of borrowing adjusted for amortisation of capital losses on the loans over the repayment period.

Other liabilities are measured at net realisable value.

Other payables

Other payables are measured at amortized cost, which usually corresponds to the nominal value.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

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Income Statement

	Note	2022 kr.	2021 kr.
Gross profit		5.195.852	-36.112
Gains from current value adjustments of investment assets		123.697.500	0
Profit from ordinary operating activities		128.893.352	-36.112
Other finance income		0	29.285
Finance expenses	2	-7.210.201	-6.071
Profit from ordinary activities before tax		121.683.151	-12.898
Tax expense on ordinary activities		-26.929.582	0
Profit		94.753.569	-12.898
Proposed distribution of results			
Proposed dividend recognised in equity		0	-32.500.000
Proposed extraordinary dividend recognised in equity		0	32.504.961
Retained earnings		94.753.569	0
Distribution of profit		94.753.569	4.961

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Balance Sheet as of 31 December

	Note	2022 kr.	2021 kr.
Assets			
Investment property in progress	3	0	159.805.439
Investment property	4	312.200.000	0
Investment property		312.200.000	159.805.439
Fixed assets		312.200.000	159.805.439
Short-term receivables from group enterprises		5.346.133	1.569.135
Short-term tax receivables from group enterprises		0	72.481
Other short-term receivables		106.504	0
Prepaid expenses		38.535	0
Receivables		5.491.172	1.641.616
Cash and cash equivalents		2.205.208	4.239.580
Current assets		7.696.380	5.881.196
Assets		319.896.380	165.686.635

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Balance Sheet as of 31 December

	Note	2022 kr.	2021 kr.
Liabilities and equity			
Contributed capital		50.001	50.000
Share premium		51.315.798	0
Retained earnings		94.753.569	218.775
Proposed dividend recognised in equity		0	32.500.000
Equity		146.119.368	32.768.775
Provisions for deferred tax		26.994.126	64.544
Provisions		26.994.126	64.544
Payables to group enterprises		136.000.000	0
Deposits, liabilities other than provisions		4.399.614	0
Long-term liabilities other than provisions	5	140.399.614	0
Mortgage debt		0	103.145.463
Trade payables		441.668	8.061.235
Payables to group enterprises		3.997.357	0
Payables to participating interests		0	17.400.968
Other payables		1.944.247	4.245.650
Short-term liabilities other than provisions		6.383.272	132.853.316
Liabilities other than provisions within the business		146.782.886	132.853.316
Liabilities and equity		319.896.380	165.686.635
Contingent liabilities	6		
Collaterals and assets pledges as security	7		
Related parties	8		

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Statement of changes in Equity

	Contributed capital	Share premium	Retained earnings	Proposed and paid dividend	Total
Equity 1 January 2022	50.000	0	218.775	32.500.000	32.768.775
Increase of capital	1	51.097.023	0	0	51.097.024
Dividend paid	0	0	0	-32.500.000	-32.500.000
Profit (loss)	0	0	94.753.569	0	94.753.569
Equity 31 December 2022	50.001	51.097.023	94.972.344	0	146.119.368

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Notes

1. Employee costs

The company has no employees.

	2022	2021
	kr.	kr.
2. Finance costs		
Interest, group enterprise	-3.997.357	0
Interest, bank	-3.212.844	-6.071
	-7.210.201	-6.071
3. Investmentproperty in progress		
Cost at the beginning of the year	159.805.439	33.083.814
Addition during the year, incl. improvements	28.697.061	126.721.625
Transfers during the year to other items	-188.502.500	0
Cost at the end of the year	0	159.805.439
Carrying amount at the end of the year	0	159.805.439
4. Investment property		
Cost at the beginning of the year	0	0
Transfers during the year to other items	188.502.500	0
Cost at the end of the year	188.502.500	0
Revaluations at the beginning of the year	0	0
Revaluations for the year	123.697.500	0
Revaluations at the end of the year	123.697.500	0
Carrying amount at the end of the year	312.200.000	0

The Company's investment property is located in and around Copenhagen and is 100% residential. The fair value of the investment property amounts to DKK 312.000.000.

The principles and methods for determining the estimated fair value of the property is based on the yield based method.

The method is based on a stabilized net rent assuming a stabilized property in a stable market, and using a full years rent. As the construction of the property has been finalized during the year, the cash flows from the current year's activities are not representative of a stabilized year's net operating income. The property is at 31 December 2022 fully let, which is the assumption used for the future cash flows as well.

The fixed return requirement is an essential in estimating fair values. An individual rate of return of 3,60% has been applied in the market value assesment at 31 december 2022.

ERIF Karlslunde ApS**Notes****5. Long-term liabilities**

	Due after 1 year kr.	Due within 1 year kr.	Due after 5 years kr.
Payables to group enterprises	136.000.000	0	136.000.000
Deposits	4.399.614	0	4.399.614
	140.399.614	0	140.399.614

6. Contingent liabilities

The Company is jointly taxed with the other enterprises in the group and are jointly and severally liable for the taxes that concern the joint taxation.

The total amount appears from the annual report of Erif Denmark Holding ApS which is the administration company in the joint taxation.

7. Collaterals and securities

No securities or mortgages exist at the balance sheet date.

8. Related parties

Group consolidation:

The company is included in the consolidated report for the parent company CBRE GI Open-ended Funds S.C.A. SICAV-SIF - ERIF Fund

The consolidated report for 2022 can be requested at the following address:

Rue du Fort Wallis 4 2714 Luxembourg