

# MG Parc Fredericia 1 ApS

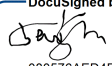
C/O CBRE A/S  
Rued Langgaards Vej 8,  
2300 København S

CVR No. 41517980

## Annual Report 2022

3. financial year

The Annual Report was presented and  
adopted at the Annual General Meeting of  
the Company on 5 May 2023

DocuSigned by:  


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Åke Anders Henrik Skoog  
Chairman

**MG Parc Fredericia 1 ApS**

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**MG Parc Fredericia 1 ApS**

**Management's Statement**

Today, Management has considered and adopted the Annual Report of MG Parc Fredericia 1 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.

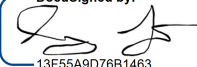
In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

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

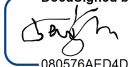
Copenhagen, 5 May 2023

**Executive Board**

Ignace De Paepe

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Carl Olof Andreas Jönsson

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Åke Anders Henrik Skoog



# Independent Auditor's Report

To the Shareholders of MG Parc Fredericia 1 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 MG Parc Fredericia 1 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 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:

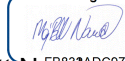
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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.

Copenhagen, 5 May 2023  
**PricewaterhouseCoopers**  
Statsautoriseret Revisionspartnerselskab  
**CVR No 33 77 12 31**

DocuSigned by:  


Maj-Britt Nørskov Nannestad  
State Authorised Public Accountant  
mne32198

DocuSigned by:



Christopher Kowalczyk  
State Authorised Public Accountant  
mne47863

## **MG Parc Fredericia 1 ApS**

### **Company details**

<b>Company</b>	MG Parc Fredericia 1 ApS C/O CBRE A/S Rued Langgaards Vej 8, 2300 København S
CVR No.	41517980
Date of formation	10 July 2020
Registered office	København
Financial year	1 January 2022 - 31 December 2022

<b>Executive Board</b>	Ignace De Paepe Carl Olof Andreas Jönsson Åke Anders Henrik Skoog
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<b>Auditors</b>	PRICEWATERHOUSECOOPERS STATS AUTORISERET REVISIONSPARTNERSELSKAB Strandvejen 44 2900 Hellerup CVR-no.: 33771231
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## **MG Parc Fredericia 1 ApS**

### **Management's Review**

#### **The Company's principal activities**

The Company's principal activities consist in construction of property and related business.

#### **Development in the activities and the financial situation of the Company**

The Company's Income Statement of the financial year 1 January 2022 - 31 December 2022 shows a result of DKK 6.556.865 (DKK 81.473 in 2021) and the Balance Sheet at 31 December 2022 a balance sheet total of DKK 71.411.817 (DKK 73.397.282 in 2021) and an equity of DKK 15.307.528 (DKK 568.973 in 2021).

The financial year 2022 is incomparabel with 2021 due to significant change in activity.

#### **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.



## **MG Parc Fredericia 1 ApS**

### **Accounting Policies**

#### **Reporting Class**

The annual report of MG Parc Fredericia 1 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.

In the financial year 2022 the company has, in regarding to the change of commitment, changed the classification of the property, plant and equipment to investment property.

The accounting policies applied otherwise remain unchanged from last year.

#### **Reporting currency**

The annual report is presented in Danish kroner.

#### **Translation policies**

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the income statement under financial income and expenses.

### **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 the items of revenue and other external expenses.

## **MG Parc Fredericia 1 ApS**

### **Accounting Policies**

#### **Revenue**

Revenue from rental income is recognised in the income statement when the first of the month has passed. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

#### **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, financial expenses of finance leases, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the advance-payment of tax scheme.

#### **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.

## **MG Parc Fredericia 1 ApS**

### **Accounting Policies**

#### **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.

#### **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.

Impairment of accounts receivables past due is established on individual assessment of receivables.

#### **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 and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

#### **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 joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

## **MG Parc Fredericia 1 ApS**

### **Accounting Policies**

#### **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.

Other liabilities are measured at net realisable value.

#### **Other payables**

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

#### **Contingent assets and liabilities**

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

**MG Parc Fredericia 1 ApS****Income Statement**

	<b>Note</b>	<b>2022 kr.</b>	<b>2021 kr.</b>
<b>Gross profit</b>		<b>2.994.635</b>	<b>105.026</b>
Value adjustments of investment assets		7.698.721	0
<b>Profit from ordinary operating activities</b>		<b>10.693.356</b>	<b>105.026</b>
Other finance income	1	29.373	0
Finance expenses	2	-2.316.530	-4.087
<b>Profit from ordinary activities before tax</b>		<b>8.406.199</b>	<b>100.939</b>
Tax expense on ordinary activities	3	-1.849.334	-19.466
<b>Profit</b>		<b>6.556.865</b>	<b>81.473</b>
 <b>Proposed distribution of results</b>			
Retained earnings		6.556.865	81.473
<b>Distribution of profit</b>		<b>6.556.865</b>	<b>81.473</b>

**MG Parc Fredericia 1 ApS****Balance Sheet as of 31 December**

	<b>Note</b>	<b>2022</b> kr.	<b>2021</b> kr.
<b>Assets</b>			
Investmentproperty in progress		0	55.504.433
Investment property	5	67.200.000	0
<b>Property, plant and equipment</b>		<b>67.200.000</b>	<b>55.504.433</b>
Other long-term receivables		1.411.374	0
<b>Investments</b>		<b>1.411.374</b>	<b>0</b>
<b>Fixed assets</b>		<b>68.611.374</b>	<b>55.504.433</b>
Short-term tax receivables from group enterprises		473.452	372
Other short-term receivables		27.034	12.914.519
Deferred expenses		0	145.237
<b>Receivables</b>		<b>500.486</b>	<b>13.060.128</b>
<b>Cash and cash equivalents</b>		<b>2.299.957</b>	<b>4.832.721</b>
<b>Current assets</b>		<b>2.800.443</b>	<b>17.892.849</b>
<b>Assets</b>		<b>71.411.817</b>	<b>73.397.282</b>

**MG Parc Fredericia 1 ApS****Balance Sheet as of 31 December**

	Note	2022 kr.	2021 kr.
<b>Liabilities and equity</b>			
Contributed capital		50.100	50.000
Share premium		450.000	450.000
Retained earnings		14.807.428	68.973
<b>Equity</b>		<b>15.307.528</b>	<b>568.973</b>
Provisions for deferred tax		2.342.253	19.838
<b>Provisions</b>		<b>2.342.253</b>	<b>19.838</b>
Payables to group enterprises		51.224.028	0
<b>Long-term liabilities other than provisions</b>	6	<b>51.224.028</b>	<b>0</b>
Trade payables		15.580	0
Payables to group enterprises		0	72.795.971
Other payables		2.522.428	12.500
<b>Short-term liabilities other than provisions</b>		<b>2.538.008</b>	<b>72.808.471</b>
<b>Liabilities other than provisions within the business</b>		<b>53.762.036</b>	<b>72.808.471</b>
<b>Liabilities and equity</b>		<b>71.411.817</b>	<b>73.397.282</b>
Contingent liabilities	7		
Collaterals and assets pledged as security	8		
Related parties	9		

**MG Parc Fredericia 1 ApS****Statement of changes in Equity**

	<b>Contributed capital</b>	<b>Share premium</b>	<b>Retained earnings</b>	<b>Total</b>
Equity 1 January 2022	50.000	450.000	68.973	568.973
Increase of capital	100	8.181.590	0	8.181.690
Profit (loss)	0	0	6.556.865	6.556.865
Transferred from share premium	0	-8.181.590	8.181.590	0
<b>Equity 31 December 2022</b>	<b>50.100</b>	<b>450.000</b>	<b>14.807.428</b>	<b>15.307.528</b>



**MG Parc Fredericia 1 ApS****Notes**

	<b>2022</b>	<b>2021</b>
	<b>kr.</b>	<b>kr.</b>
<b>1. Other finance income</b>		
Exchange rate adjustments	29.373	0
	<b>29.373</b>	<b>0</b>
<b>2. Finance expenses</b>		
Finance expenses arising from group enterprises	1.340.590	0
Exchange rate adjustments	4.264	0
Other finance expenses	971.676	4.087
	<b>2.316.530</b>	<b>4.087</b>
<b>3. Tax expense</b>		
Current tax expense	-473.081	-372
Adjustments for deferred tax	2.322.415	19.838
	<b>1.849.334</b>	<b>19.466</b>
<b>4. Investmentproperty in progress</b>		
Cost at the beginning of the year	55.504.433	3.800.977
Addition during the year, incl. improvements	0	51.703.456
Transfers during the year to other items	-55.504.433	0
<b>Cost at the end of the year</b>	<b>0</b>	<b>55.504.433</b>
<b>Carrying amount at the end of the year</b>	<b>0</b>	<b>55.504.433</b>

**MG Parc Fredericia 1 ApS****Notes**

	<b>2022</b>	<b>2021</b>
	<b>kr.</b>	<b>kr.</b>
<b>5. Investment property</b>		
Cost at the beginning of the year	0	0
Transfers during the year from other items	55.504.433	0
Addition during the year, incl. improvements	3.996.846	0
<b>Cost at the end of the year</b>	<b>59.501.279</b>	<b>0</b>
Fair value adjustments at the beginning of the year	0	0
Adjustments for the year	7.698.721	0
<b>Fair value adjustments at the end of the year</b>	<b>7.698.721</b>	<b>0</b>
<b>Carrying amount at the end of the year</b>	<b>67.200.000</b>	<b>0</b>

The company's tangible fixed assets consist of 1 commercial properties of a total of 6,456 sqm. The investment property is due to the description of accounting policies, measured at fair value using the Yield based model.

The value of the investment property is determined at fair value on the basis of the yield based model, received from external value.

A weighted return requirement of 5,00% has been used for the valuation. A change of -0.25% points in return requirement means approx. DKK 3,5 million in changed market value and a change of +0.25% point in return requirement means approx. -3,2 million DKK in changed market value.

The yield based model calculates the value on the basis of the property's expected net operating result in a typical stabilized operating year.

In addition, the following significant assumptions have been used in the fair value measurement:

- The capitalized expenditures that were allowed was tenant improvements cost equivalent to DKK 284 per sqm on lease expiry
- The operational expenditures have been estimated to DKK 20 per sqm and include operational, maintenance and management costs

The property was under construction in 2021 but has finalized in 2022.

The investment property is valued on the basis of a valuation from an independent commercial broker.

**6. Long-term liabilities**

	<b>Due</b>	<b>Due</b>	<b>Due</b>
	<b>within 1 year</b>	<b>within 2-5 year</b>	<b>after 5 years</b>
	<b>kr.</b>	<b>kr.</b>	<b>kr.</b>
Payables to group enterprises	0	0	51.224.028
	<b>0</b>	<b>0</b>	<b>51.224.028</b>

## **MG Parc Fredericia 1 ApS**

### **Notes**

#### **7. Contingent liabilities**

The company was jointly taxed with its previous parent, MG Projekter ApS, until closing (august 4), the Company is jointly taxed with other Danish group entities and is jointly and severally with other jointly taxed group entities for payment of income taxes for income year as well as withholding taxes on interest, royalties and dividends falling due for payment.

After closing, the Company is jointly taxed with its parent, PEC Denmark Holding ApS, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends falling due for payment.

#### **8. Collaterals and securities**

No securities or mortgages exist at the balance sheet date.

#### **9. Related parties**

Related parties with controlling interest:

PEC Denmark Holding ApS, c/o 31250 Newsec PAM Denmark A/S, Lyngby Hovedgade 4, 2800 Kgs. Lyngby

Group consolidation:

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

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

Rue du Fort Wallis 4 2714 Luxembourg