

PEC Denmark Holding ApS

c/o 31250 Newsec PAM Denmark A/S
Lyngby Hovedgade 4,
2800 Kongens Lyngby

CVR No. 42366161

Annual Report 2021

As of the establishment of the Company 6 May - 31 December 2021
1. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 30 June 2022

DocuSigned by:

Maria Scheutz

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Kerstina Maria Scheutz
Chairman

PEC Denmark Holding ApS

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PEC Denmark Holding ApS

Management's Statement

Today, Management has considered and adopted the Annual Report of PEC Denmark Holding ApS for the financial year 6 May 2021 - 31 December 2021.

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 2021 and of the results of the Company's operations for the financial year 6 May 2021 - 31 December 2021.

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.

Kongens Lyngby, 30 June 2022

Executive Board

DocuSigned by:
Maria Scheutz
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Kerstina Maria Scheutz
CEO

DocuSigned by:
[Signature]
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John Åke Marcus Arvidsson
CEO

DocuSigned by:
Andreas Norberg
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Andreas Norberg
CEO

PEC Denmark Holding ApS

Independent Auditors' Report

To the shareholders of PEC Denmark Holding ApS

Opinion

We have audited the financial statements of PEC Denmark Holding ApS for the financial year 6 May 2021 - 31 December 2021, which comprise 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 financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 6 May 2021 - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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 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.

The auditor's responsibility 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 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 the financial statements.

As part of an audit conducted in accordance with ISAs and 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.

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Independent Auditors' Report

- * 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 note 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.

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 Financial 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 Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 30 June 2022

EY Godkendt Revisionspartnerselskab

CVR-no. 30700228

DocuSigned by:



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Kaare K. Lendorf

State Authorised Public Accountant
mne33819

PEC Denmark Holding ApS

Company details

Company

PEC Denmark Holding ApS
c/o 31250 Newsec PAM Denmark A/S
Lyngby Hovedgade 4,
2800 Kongens Lyngby
Telephone: 45260102
email: bogholderi@newsec.dk
CVR No.: 42366161
Date of formation: 6 May 2021

Executive Board

Kerstina Maria Scheutz , CEO
John Åke Marcus Arvidsson, CEO
Andreas Norberg, CEO

Auditors

EY Godkendt Revisionspartnerselskab
Dirch Passers Allé 36
2000 Frederiksberg
CVR-no.: 30700228

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Management's Review

The Company's principal activities

The Company's principal activities consist in running a business consisting of real estate management and related business.

Development in the activities and the financial situation of the Company

The Company's Income Statement of the financial year 6 May 2021 - 31 December 2021 shows a result of DKK -909.814 and the Balance Sheet at 31 December 2021 a balance sheet total of DKK 703.475.917 and an equity of DKK 178.130.186.

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 PEC Denmark Holding ApS for 2021 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 accordance with section 110(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

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 the Company is liable to lose future, financial benefits 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

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to administration, bad debts, etc.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

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Accounting Policies

Tax on net profit for the year

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Long-term investments in group enterprises

Investments in subsidiaries and associates are measured at cost, which includes the cost of acquisition calculated at fair value plus direct costs of acquisition. If there is evidence of impairment, an impairment test is conducted. Where the carrying amount exceeds the recoverable amount, a write-down is made to such lower value.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash and cash equivalents

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

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Accounting Policies

Current tax liabilities

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

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortised cost, corresponding to the capitalised 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 amortised cost, corresponding to the outstanding balance in case of cash loans. In case of bond loans, amortised 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, comprising deposits, trade payables and other accounts payable, are measured at amortised cost, which usually corresponds to the nominal value.

Other payables

Other payables are measured at net realisable value.

PEC Denmark Holding ApS**Income Statement**

	Note	2021 kr.
Other external expenses		-25.624
Gross result		<u>-25.624</u>
Profit from ordinary operating activities		<u>-25.624</u>
Other financial income from group enterprises		7.084.909
Financial expenses	1	<u>-8.225.714</u>
Profit from ordinary activities before tax		<u>-1.166.429</u>
Tax expense on ordinary activities	2	<u>256.615</u>
Profit		<u>-909.814</u>
Proposed distribution of results		
Retained earnings		<u>-909.814</u>
Distribution of profit		<u>-909.814</u>

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Balance Sheet as of 31 December

	Note	2021 kr.
Assets		
Long-term investments in group enterprises	3, 4	217.322.621
Other long-term receivables		467.148.093
Investments		<u>684.470.714</u>
Fixed assets		<u>684.470.714</u>
Short-term receivables from group enterprises		10.299.390
Short-term tax receivables		256.615
Other short-term receivables		90.615
Deferred income		7.031
Receivables		<u>10.653.651</u>
Cash and cash equivalents		<u>8.351.552</u>
Current assets		<u>19.005.203</u>
Assets		<u>703.475.917</u>

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Balance Sheet as of 31 December

	Note	2021 kr.
Liabilities and equity		
Contributed capital		50.000
Share premium		178.990.000
Retained earnings		-909.814
Equity		<u>178.130.186</u>
Payables to group enterprises		515.440.519
Long-term liabilities other than provisions	5	<u>515.440.519</u>
Trade payables		7.031
Payables to group enterprises		8.729.587
Other payables		1.168.594
Short-term liabilities other than provisions		<u>9.905.212</u>
Liabilities other than provisions within the business		<u>525.345.731</u>
Liabilities and equity		<u>703.475.917</u>
Employee costs	6	
Contingent liabilities	7	
Collaterals and assets pledges as security	8	
Related parties	9	

PEC Denmark Holding ApS**Statement of changes in Equity**

	Contributed capital	Share premium	Retained earnings	Total
Equity 6 May 2021	40.000	0	0	40.000
Increase of capital	10.000	178.990.000	0	179.000.000
Profit (loss)	0	0	-909.814	-909.814
Equity 31 December 2021	50.000	178.990.000	-909.814	178.130.186

PEC Denmark Holding ApS**Notes**

	2021
	kr.
1. Financial expenses	
Interest bank	130.424
Interest expenses, group entities	8.095.099
Foreign exchange loss, realised	191
	<u>8.225.714</u>
2. Tax expense	
Current tax expense	256.615
	<u>256.615</u>
3. Long-term investments in group enterprises	
Cost at the beginning of the year	0
Addition during the year, incl. improvements	217.322.621
Cost at the end of the year	<u>217.322.621</u>
Carrying amount at the end of the year	<u>217.322.621</u>

4. Disclosure in long-term investments in group enterprises and associates*Group enterprises*

Name	Registered office	Share held in %	Equity	Profit
Ejendomsselskabet PADK M1 ApS	Kongens Lyngby	100,00	181.932.120	21.565.901
			<u>181.932.120</u>	<u>21.565.901</u>

5. Long-term liabilities

	Due within 1 year kr.	Due between 1-5 years kr.	Due after 5 years kr.
Payables to group enterprises	0	0	515.440.519
	<u>0</u>	<u>0</u>	<u>515.440.519</u>

6. Employee costs

The Company has no employees.

7. Contingent liabilities

As management company, 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.

8. Collaterals and securities

No securities or mortgages exist at the balance sheet date.

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Notes

9. Related parties

Related parties with controlling interest:

PEC Holdings S.à r.l., 4 rue de Fort Wallis, 2714 Luxembourg

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 2021 can be requested at the following address:

Rue du Fort Wallis 4 2714 Luxembourg