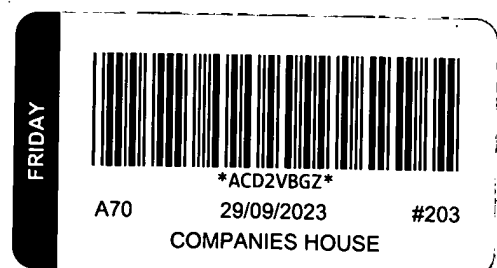


**Brookfield Strategic Real Estate
Partners II Limited**

Directors' report and unaudited
financial statements

Registered number 9464518

For the year ended 31 December 2022



Contents

| | Page |
|--|--------|
| Directors' report | 1 |
| Statement of directors' responsibilities | 2 |
| Statement of financial position | 3 |
| Statement of changes in equity | 4 |
| Notes to the financial statements | 5 - 10 |

Directors' report

The Directors' present their report and the unaudited financial statements of Brookfield Strategic Real Estate Partners II Limited (the "Company") for the year ended 31 December 2022. Having considered the exemptions available by the Companies Act 2006, the Directors have chosen to draft the Directors' report and financial statements in alignment with the specific provisions applicable to small companies. They have also opted to take the exemptions outlined in Section 414B of the Companies Act 2006, exempting them from preparing the strategic report, and in Section 480(1), exempting them from complying with the audit requirements for the accounts for the year ended 31 December 2022.

Principal activities

The principal activity of the Company is that of a dormant company. The company has not engaged in any significant business activities, trading, or financial transactions since its incorporation, on 2 March 2015. It maintains its dormant status in accordance with the Companies Act 2006.

Business review

Brookfield Strategic Real Estate Partners II Limited was incorporated on 2 March 2015. The Company was dormant from the date of incorporation to the year ended 31 December 2022.

Directors

Set out below are the directors who held office during the period and up to the date of this report, except as noted:

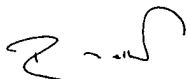
| | |
|-----------|-----------------------------|
| R Meller | (appointed 3 February 2017) |
| B Annable | (appointed 11 May 2020) |

None of the Directors who held office at the end of the year and up to the date of this report held any disclosable interest in group undertakings as recorded in the register of directors' interests.

Going concern

The directors have prepared the financial statements on the going concern basis, and they are confident that the company has adequate resources to continue its operations for the foreseeable future.

Approved by the board and signed on its behalf by:



R Meller
Director

Level 25, 1 Canada Square
Canary Wharf
London
E14 5AA
27th September 2023

Statement of directors' responsibilities

The Directors are responsible for preparing the Directors' report and the unaudited financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom adopted international accounting standards. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the company for that year. In preparing these financial statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that they have complied with the above requirements when preparing the financial statements.

Statement of financial position

As at 31 December 2022

| | Notes | 31 December 2022 £ | 31 December 2021 £ |
|-----------------------------|-------|--------------------------|--------------------------|
| Current assets | | | |
| Trade and other receivables | 5 | 1 | 1 |
| Total current assets | | <u>1</u> | <u>1</u> |
| Net assets | | <u>1</u> | <u>1</u> |
| Equity | | | |
| Called up share capital | 8 | 1 | 1 |
| Total equity | | <u>1</u> | <u>1</u> |

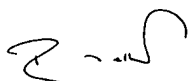
The Company received no income and incurred no expenses in the year. Accordingly, a statement of comprehensive income is not presented.

- For the year ended 31 December 2022, the Company was entitled to exemption from audit under section 480(1) of the Companies Act 2006 relating to dormant companies.
- No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.
- The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The statement of financial position should be read in conjunction with the notes to the financial statements on pages 5 to 10.

These financial statements of Brookfield Strategic Real Estate Partners II Limited, registered number 9464518, were approved and authorised for issue by the board of directors on 27th September 2023 and were signed on its behalf by:



R Meller
Director

Statement of changes in equity
 For the year ended 31 December 2022

| | Share capital £ | Retained earnings £ | Total £ |
|-------------------------------|--------------------|---------------------------|------------|
| As at 1 January 2021 | 1 | - | 1 |
| | <hr/> | <hr/> | <hr/> |
| As at 31 December 2021 | 1 | - | 1 |
| | <hr/> | <hr/> | <hr/> |
| As at 1 January 2022 | 1 | - | 1 |
| | <hr/> | <hr/> | <hr/> |
| As at 31 December 2022 | 1 | - | 1 |
| | <hr/> | <hr/> | <hr/> |

The statement of changes in equity should be read in conjunction with the notes to the financial statements on pages 5 to 10.

Notes to the financial statements

1. General information

Brookfield Strategic Real Estate Partners II Limited ("the Company") is a private company limited by shares, incorporated in England and Wales and domiciled in the United Kingdom. The address of its registered office is Level 25, 1 Canada Square, London, E14 5AA.

2. Adoption of new and revised standards

The financial statements have been prepared in accordance with UK adopted International Accounting Standards.

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective and in some cases had not been adopted by the UK:

| Standard/Amendment | Description | Effective for periods beginning on or after |
|--|--|---|
| IFRS 17 (including amendments) | Insurance Contracts | 1 January 2023 |
| Amendments to IAS 12 | Deferred Tax related to Assets and Liabilities arising from a Single Transaction | 1 January 2023 |
| Amendments to IAS 8 | Definition of Accounting Estimates | 1 January 2023 |
| Amendments to IAS 1 and IFRS Practice Statement 2) | Disclosure of Accounting Policies | 1 January 2023 |
| Amendments to IAS 1 | Classification of Liabilities as Current or Non-Current with Covenants | 1 January 2024 [*]/[**] |
| Amendments to IFRS 16 | Lease Liability in a Sale and Leaseback | 1 January 2024 [*] |

[*subject to UK endorsement]

[**The amendments are applied retrospectively in accordance with IAS 8 and earlier application is permitted]

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company aside from additional disclosures.

Notes to the financial statements *(continued)*

2. Adoption of new and revised standards *(continued)*

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the consolidated balance sheets and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether the company will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are applied retrospectively for annual periods beginning on or after January 1, 2024, with early application permitted. The company is in the process of determining the impact of the amendments on its consolidated financial statements.

The Company had also applied the following amendments for the first time during the annual reporting period presented in these financial statements:

Annual Improvements 2018-2020 cycle

- IFRS 1 First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter. The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRS's.
- IFRS 9 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities- The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.
- IFRS 16 Leases - Lease incentives. IFRS 16 removes from the illustrative example 13 the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.
- IAS 41 Agriculture - Taxation in fair value measurements. The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in IFRS 13.

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)

The amendments amend IAS 16 to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

References to Conceptual Framework (Amendments to IFRS 3)

- IFRS 3 is updated so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework
- A requirement is added to IFRS 3 that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination.
- An explicit statement is added to IFRS 3 that an acquirer does not recognise contingent assets acquired in a business combination.

Provisions, Contingent Liabilities & Contingent Assets: Onerous Contracts (Amendments to IAS 37)

Amendments to IAS 37 Onerous contracts - The changes specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Notes to the financial statements (*continued*)

3. Significant accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The statement of financial position has been prepared under the historical cost accounting convention and in accordance with United Kingdom adopted international accounting standards ("IFRS").

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4. The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

Investments

Investments in subsidiaries are stated at cost less any provision for impairment. The Company reviews investments for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. The Company assesses whether such indicators exist at each reporting date.

If any such indication of impairment exists, the Company makes an estimate of the recoverable amount. Where the recoverable amount of the investment is less than the carrying amount, an impairment is recognised immediately in the statement of comprehensive income.

Expense

Expenses are recorded on an accruals basis.

Cash

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial Assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'at fair value through other comprehensive income' (FVTOCI), or 'amortised cost'. The classification depends on whether contractual cash flows are considered to represent solely payments of principal and interest and the business model of the Company and is determined at the time of initial recognition.

Amortised cost

All assets that are held for collection of contractual cash flows where those cash flows represent solely payment of principal and interest (SPPI) and that are not designated at FVPL, are measured at amortised cost.

Impairment of financial assets

For financial assets held at amortised cost, IFRS 9 requires the Company's financial assets to be subject to a forward-looking expected credit loss model.

Notes to the financial statements (*continued*)

3. Significant accounting policies (*continued*)

Financial liabilities

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. Current tax and deferred tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Cash flow statement

The UK has adopted the IFRS for SMEs Standard as FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland—but with significant modifications. The company has taken the disclosure exemption to not disclose the Statement of Cash Flows.

4. Critical accounting estimates and judgements

The preparation of the Company's financial statements in accordance with applicable accounting standards requires management to make estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures. These estimates and assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Notes to the financial statements (continued)

4. Critical accounting estimates and judgements (continued)

While the company exercises diligence in its financial reporting, the Directors consider that there are no specific areas where management has identified critical judgments or estimates that have a significant impact on the financial statements. The company's financial statements are prepared based on straightforward and observable data, and there are no complex or significant areas of estimation.

5. Trade and other receivables

| | 31 December 2022 | 31 December 2021 |
|---------------------------------|---------------------|---------------------|
| | £ | £ |
| Amounts owed by related parties | 1 | 1 |
| | <u>1</u> | <u>1</u> |

All amounts receivable from related parties are unsecured, non-interest bearing and repayable on demand. The carrying amount of receivables approximates to their fair value.

6. Related party transactions

At year end, the Company had the following receivables from related parties:

| Related Party | Relationship | Amounts owed by related parties 31 December 2022 | Amounts owed by related parties 31 December 2021 |
|-----------------------------------|--------------|--|--|
| | | £ | £ |
| BSREP II Bermuda GP of GP Limited | Parent | 1 | 1 |

7. Financial instruments

Categories of financial instruments

The following table summarises the fair values of the financial assets and liabilities recorded in the Company's financial statements.

| | Current 31 December 2022 | Current 31 December 2021 |
|-----------------------------|--------------------------------|--------------------------------|
| | £ | £ |
| Financial assets | | |
| Trade and other receivables | 1 | 1 |
| | <u>1</u> | <u>1</u> |

Notes to the financial statements *(continued)*

7. Financial instruments *(continued)*

Capital risk management

The Company's objective is to hold sufficient capital in order that it will be able to continue as a going concern, whilst maximising the return to stakeholders. It achieves this with no liabilities or expenses. The Company is not subject to any externally imposed capital requirements. There have been no changes to the Company's capital risk management since the prior year.

Externally imposed capital requirement

The Company is not subject to externally imposed capital requirements.

Financial risk management objectives

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk Management policies are reviewed regularly to reflect changes in market conditions and the Company's activities.

Market risk

The Company is not directly exposed to foreign exchange movements.

8. Called up share capital

| | 31 December 2022 £ | 31 December 2021 £ |
|--|--------------------------|--------------------------|
| Issued | | |
| 1 ordinary share of £1 | 1 | 1 |
| | <hr/> | <hr/> |
| Allotted, called up and fully paid: | | |
| 1 ordinary share of £1 | 1 | 1 |
| | <hr/> | <hr/> |

9. Subsequent events

Management has evaluated events and transactions occurring subsequent to the end of the reporting period and before the issuance of these financial statements. It has been determined that there are no subsequent events that require recognition or disclosure in the financial statements.

10. Ultimate parent undertaking and parent undertaking of larger group of which the company is a member

At the balance sheet date the immediate parent company is BSREP II Bermuda GP of GP Limited. The ultimate parent and ultimate controlling party is Brookfield Corporation (formerly Brookfield Asset Management Inc.), a company incorporated in Canada.

The largest group in which the results of the company are consolidated is that headed by Brookfield Corporation, incorporated in Canada. The consolidated financial statements of Brookfield Corporation are available to the public and may be obtained from Brookfield Place, Suite 300, 181 Bay Street, Toronto, ON M5J 2T3.