
***NREP Income+ Fund ScSp
Residential Elværksvej 11 ApS***

c/o NREP A/S, Southamptongade 4, DK-2150 Nordhavn

Annual Report for 2023

CVR No. 10 10 01 27

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 17/5 2024

Stine Seneberg
Chairman of the
general meeting



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Management's statement

The Executive Board has today considered and adopted the Annual Report of NREP Income+ Fund ScSp Residential Elværksvej 11 ApS for the financial year 1 January - 31 December 2023.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and of the results of the Company operations for 2023.

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

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

Copenhagen, 17 May 2024

Executive Board

Nick Holmelund Melgaard

Rune Højby Kock

Stine Seneberg

Thomas Ebbe Riise-Jakobsen

Independent Auditor's report

To the shareholder of NREP Income+ Fund ScSp Residential Elværksvej 11 ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of NREP Income+ Fund ScSp Residential Elværksvej 11 ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the 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.

Independent Auditor's report

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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Esbjerg, 17 May 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jannick Kjersgaard
State Authorised Public Accountant
mne29440

Hans Baunsgaard Eskildsen
State Authorised Public Accountant
mne45827

Company information

The Company	NREP Income+ Fund ScSp Residential Elværksvej 11 ApS c/o NREP A/S Southamptongade 4 DK-2150 Nordhavn CVR No: 10 10 01 27 Financial period: 1 January - 31 December Incorporated: 11 November 2002 Financial year: 22th financial year Municipality of reg. office: Copenhagen
Executive Board	Nick Holmelund Melgaard Rune Højby Kock Stine Seneberg Thomas Ebbe Riise-Jakobsen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Esbjerg Brygge 28, 2. DK-6700 Esbjerg

Financial Highlights

Seen over a 5-year period, the development of the Company is described by the following financial highlights:

	2023	2022	2021	2020	2019
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Profit/loss of primary operations	-864	-49,789	175,999	86,772	-28
Profit/loss of financial income and expenses	-6,695	-5,135	-8,883	-9,125	0
Net profit/loss for the year	-5,952	-42,478	130,350	60,560	-22
Balance sheet					
Balance sheet total	795,204	809,679	884,974	744,944	562,818
Investment in property, plant and equipment	62	514	0	91,299	279,666
Equity	219,022	224,975	278,453	148,102	87,542
Ratios					
Return on assets	-0.1%	-6.1%	19.9%	11.6%	0.0%
Solvency ratio	27.5%	27.8%	31.5%	19.9%	15.6%
Return on equity	-2.7%	-16.9%	61.1%	51.4%	0.0%

For explanation of the calculation of the ratios, see under accounting policies.

Management's review

Key activities

The key activity of the Company is to invest, sell and rent properties, including participation in other companies with similar business.

Development in the year

The income statement of the Company for 2023 shows a loss of DKK 5,952,138, and at 31 December 2023 the balance sheet of the Company shows a positive equity of DKK 219,022,373.

The past year and follow-up on development expectations from last year

The expected gross profit before value adjustments for 2023 was between 24 and 25 mDKK, and the actual gross profit before value adjustments is mDKK 21.

Targets and expectations for the year ahead

The expected gross profit before value adjustments for 2024 is 22 mDKK.

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not - besides usual uncertainty related to estimates - been subject to uncertainty.

Unusual events

The financial position at 31 December 2023 of the Company and the results of the activities for the financial year for 2023 have not been affected by any unusual events.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 January - 31 December

	Note	2023	2022
		DKK	DKK
Gross profit before value adjustments		21,099,883	21,023,910
Value adjustments of assets held for investment	1	-21,963,646	-70,812,630
Gross profit after value adjustments		-863,763	-49,788,720
Financial income		1,450	3,430
Financial expenses	3	-6,696,082	-5,138,299
Profit/loss before tax		-7,558,395	-54,923,589
Tax on profit/loss for the year	4	1,606,257	12,445,302
Net profit/loss for the year	5	-5,952,138	-42,478,287

Balance sheet 31 December

Assets

	Note	2023	2022
		DKK	DKK
Investment properties		782,000,000	804,701,593
Property, plant and equipment	6	782,000,000	804,701,593
Fixed assets		782,000,000	804,701,593
Trade receivables		201,522	177,832
Other receivables		849,143	317,915
Prepayments	7	0	240,165
Receivables		1,050,665	735,912
Cash at bank and in hand		12,152,917	4,241,357
Current assets		13,203,582	4,977,269
Assets		795,203,582	809,678,862

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		DKK	DKK
Share capital		200,000	200,000
Retained earnings		218,822,373	224,774,511
Equity		219,022,373	224,974,511
Provision for deferred tax	8	59,257,328	62,677,701
Provisions		59,257,328	62,677,701
Mortgage loans		385,444,053	385,239,490
Payables to group enterprises		111,414,785	107,377,367
Deposits		0	11,360,706
Long-term debt	9	496,858,838	503,977,563
Trade payables		5,683,203	6,609,395
Payables to group enterprises	9	0	11,000,000
Payables to group enterprises relating to corporation tax		1,821,336	433,909
Deposits	9	9,435,305	0
Other payables		44,741	5,783
Deferred income	10	3,080,458	0
Short-term debt		20,065,043	18,049,087
Debt		516,923,881	522,026,650
Liabilities and equity		795,203,582	809,678,862
Staff	2		
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Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
	DKK	DKK	DKK
Equity at 1 January	200,000	224,774,511	224,974,511
Net profit/loss for the year	0	-5,952,138	-5,952,138
Equity at 31 December	200,000	218,822,373	219,022,373

Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	DKK	DKK
1. Value adjustments of investment assets		
Value adjustments of investment properties	-21,963,646	-70,812,630
	<u>-21,963,646</u>	<u>-70,812,630</u>
2. Staff		
Average number of employees	<u>0</u>	<u>0</u>
3. Financial expenses		
Interest paid to group enterprises	4,630,790	3,106,791
Other financial expenses	2,050,903	2,000,952
Exchange adjustments, expenses	14,389	30,556
	<u>6,696,082</u>	<u>5,138,299</u>
4. Income tax expense		
Current tax for the year	1,821,336	433,909
Deferred tax for the year	-3,408,787	-12,517,098
Adjustment of tax concerning previous years	-7,220	0
Adjustment of deferred tax concerning previous years	-11,586	-362,113
	<u>-1,606,257</u>	<u>-12,445,302</u>
5. Profit allocation		
Retained earnings	-5,952,138	-42,478,287
	<u>-5,952,138</u>	<u>-42,478,287</u>

Notes to the Financial Statements

6. Assets measured at fair value

	Investment properties
	DKK
Cost at 1 January	636,191,485
Additions for the year	62,053
Disposals for the year	-800,000
Cost at 31 December	<u>635,453,538</u>
Value adjustments at 1 January	168,510,108
Revaluations for the year	-21,963,646
Value adjustments at 31 December	<u>146,546,462</u>
Carrying amount at 31 December	<u>782,000,000</u>

Assumptions underlying the determination of fair value of investment properties

Investment properties are measured at fair value. The fair value is calculated by using generally accepted valuation methods (DCF calculations) based on management's expectations for future cash flows, return requirements, etc. The fair value adjustment for the year has been recognised in the Income Statement

The fair value of Linus Paulings Vej 2-26, Copenhagen has been calculated based on the following assumptions:

	2023
	DKK
The fair value of investment properties amounts to	782,000,000
Value adjustment, income statement	-21,963,646
Average WACC	5.85%
Average inflation assumption	1.85%
Exit yield	4.00%
Budget period	10
Average vacancy, budget period	2.66%

The fair value of investment properties at 31 December 2023 has been assessed by an independent assessor.

The estimates applied are based on information and assumptions considered reasonable by Management but which are inherently uncertain and unpredictable. Actual events or circumstances will probably differ from the assumptions made in the calculations as often assumed events do not occur as expected. Such difference may be material

Notes to the Financial Statements

Sensitivity in determination of fair value of investment properties

A range of 3.90% - 4.10% has been applied in the market value assessment at 31 December.

Changes in estimated required rate of return for investment properties will affect the value of investment properties recognised in the balance sheet as well as value adjustments carried in the income statement.

Changes in	-0.1%	Base	0.1%
	DKK	DKK	DKK
Rate of return	3.9	4.0	4.1
Fair value	802,051,282	782,000,000	762,926,829
Change in fair value	20,051,282	0	-19,073,171

7. Prepayments

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

8. Provision for deferred tax

	2023	2022
	DKK	DKK
Deferred tax liabilities at 1 January	62,677,701	75,556,912
Amounts recognised in the income statement for the year	-3,407,237	-12,879,211
Amounts recognised in equity for the year	-13,136	0
Deferred tax liabilities at 31 December	59,257,328	62,677,701

9. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2023	2022
	DKK	DKK
Mortgage loans		
After 5 years	385,444,053	385,239,490
Long-term part	385,444,053	385,239,490
Within 1 year	0	0
	385,444,053	385,239,490

Notes to the Financial Statements

	2023	2022
	DKK	DKK
9. Long-term debt		
Payables to group enterprises		
After 5 years	111,414,785	107,377,367
Long-term part	111,414,785	107,377,367
Other short-term debt to group enterprises	0	11,000,000
	<u>111,414,785</u>	<u>118,377,367</u>
Deposits		
After 5 years	0	11,360,706
Long-term part	0	11,360,706
Other deposits	9,435,305	0
	<u>9,435,305</u>	<u>11,360,706</u>

10. Deferred income

Deferred income consists of payments received in respect of income in subsequent years.

	2023	2022
	DKK	DKK
11. Contingent assets, liabilities and other financial obligations		
Charges and security		
The following assets have been placed as security with mortgage credit institutes:		
Investment properties with a carrying amount of	782,000,000	804,701,593

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of NIP Denmark Advisory ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the Financial Statements

12. Related parties and disclosure of consolidated financial statements

	<u>Basis</u>
Controlling interest	
TRC HoldCo ApS	Principal shareholder
NREP Income+ Fund ScSp	Ultimate principal shareholder

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

<u>Name</u>	<u>Place of registered office</u>
TRC HoldCo ApS	Copenhagen
NREP Income+ Fund ScSp	Luxembourg

13. Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Notes to the Financial Statements

14. Accounting policies

The Annual Report of NREP Income+ Fund ScSp Residential Elværksvej 11 ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023 are presented in DKK.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of TRC HoldCo ApS, the Company has not prepared a cash flow statement.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income statement

Rental income

Rental income is recognised on a straight line basis over the term of the lease.

Revenue from rental income is recognised in the income statement at amounts relating to the financial year when revenue can be measured reliably and it is probable that the economic benefits will flow to the Company. Revenue is recognised exclusive of VAT and net of discounts.

Notes to the Financial Statements

Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of rental income and other external expenses.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Danish group enterprises. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses). The jointly taxed enterprises have adopted the on-account taxation scheme.

Balance sheet

Property, plant and equipment

Investment properties constitute land and buildings held to earn a return on the invested capital by way of current operating income and/or capital appreciation on sale.

On acquisition investment properties are measured at cost comprising the acquisition price and costs of acquisition. The cost of own constructed assets comprises the acquisition price and expenses directly related to the acquisition, including costs of acquisition and indirect expenses for labour, materials, components and suppliers up until the time when the asset is ready for use.

Interest expenses on loans contracted directly for financing the construction of properties are recognised in cost over the construction period.

After the initial recognition investment properties are measured at fair value. Value adjustments of investment properties are recognised in the income statement.

Fair value is the amount for which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction on the balance sheet date. The determination of fair value involves material accounting estimates.

Discounted Cash Flow model

The fair value of investment properties has been determined at 31 December 2023 for each property by using a Discounted Cash Flow model under which expected future cash flows are discounted to present value. The calculations are based on property budgets for the coming years. Allowance has been made for developments in rentals, vacancies, operating expenses, maintenance and administration, etc. The individual, budgeted cash flows are discounted at an individually fixed discount rate added a terminal value. The value thus calculated is adjusted for any non-operating assets such as cash and cash equivalents, deposits, etc if they are not shown separately in the balance sheet.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Notes to the Financial Statements

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate Dividend item.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the onaccount taxation scheme are recognised in the income statement in financial income and expenses.

Financial liabilities

Loans, such as mortgage loans, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Financial Highlights

Explanation of financial ratios

Return on assets	$\text{Profit/loss of ordinary primary operations} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$