# NIP Living Fyn ApS

Southamptongade 4, DK-2150 Nordhavn

# Annual Report for 2022

CVR No. 21 08 42 71

The Annual Report was presented and adopted at the Annual General Meeting of the company on 14/6 2023

Kasper Juulsgaard Sørensen Chairman of the general meeting



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# Management's statement

The Executive Board has today considered and adopted the Financial Statements of NIP Living Fyn ApS for the financial year 1 January - 31 December 2022.

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 2022 of the Company and of the results of the Company operations for 2022.

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Copenhagen, 14 June 2023

## **Executive Board**

Henrik Skak Bender Rune Højby Kock Stine Seneberg

Thomas Ebbe Riise-Jakobsen



## **Independent Auditor's report**

To the shareholder of NIP Living Fyn 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 NIP Living Fyn ApS for the financial year 1 January - 31 December 2022, 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.

## 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 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.



## **Independent Auditor's report**

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Hellerup, 14 June 2023

**PricewaterhouseCoopers** Statsautoriseret Revisionspartnerselskab CVR No 33 77 12 31

Mikael Johansen State Authorised Public Accountant mne23318

Kristian Rath State Authorised Public Accountant mne42817



# **Company information**

The Company NIP Living Fyn ApS

Southamptongade 4 DK-2150 Nordhavn CVR No: 21 08 42 71

Financial period: 1 January - 31 December

Incorporated: 1 July 1998

Financial year: 24th financial year Municipality of reg. office: Copenhagen

**Executive board** Henrik Skak Bender

Rune Højby Kock

Stine Seneberg Thomas Ebbe Riise-Jakobsen

**Auditors** PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

Strandvejen 44 2900 Hellerup



# **Income statement 1 January - 31 December**

	Note	2022	2021
		DKK	DKK
Gross profit before value adjustments		24,350,237	37,345,711
Value adjustments of assets held for investment		8,406,929	-18,322,481
Gross profit/loss after value adjustments		32,757,166	19,023,230
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		0	12,851
Profit/loss before financial income and expenses		32,757,166	19,036,081
Income from investments in subsidiaries		-1,124,401	2,272,950
Financial income	3	0	5,433,426
Financial expenses	4,5	-21,024,858	-94,207,689
Profit/loss before tax		10,607,907	-67,465,232
Tax on profit/loss for the year	6	-3,781,618	6,495,071
Net profit/loss for the year		6,826,289	-60,970,161
Distribution of profit			
		2022	2021
		DKK	DKK
Proposed distribution of profit			
Extraordinary dividend paid		0	135,000,000
Reserve for net revaluation under the equity method		-1,124,401	2,272,950
Retained earnings		7,950,690	-198,243,111



6,826,289

-60,970,161

# **Balance sheet 31 December**

## Assets

Note	2022	2021
	DKK	DKK
	948,309,769	939,902,840
7	948,309,769	939,902,840
8	9,007,102	10,131,503
	9,007,102	10,131,503
	957,316,871	950,034,343
	89,393,428	84,806,212
	574,146	2,375,057
	1,310	260,423
	89,968,884	87,441,692
	7,483,653	10,669,218
	97,452,537	98,110,910
	1,054,769,408	1,048,145,253
	7	948,309,769 948,309,769 8 9,007,102 9,007,102 957,316,871  89,393,428 574,146 1,310 89,968,884  7,483,653  97,452,537



# **Balance sheet 31 December**

# Liabilities and equity

	Note	2022	2021
		DKK	DKK
Share capital		500,000	500,000
Reserve for net revaluation under the equity method		1,480,846	2,605,247
Retained earnings		236,044,973	228,094,283
Equity		238,025,819	231,199,530
Provision for deferred tax		102,482,829	100,234,787
Provisions		102,482,829	100,234,787
Mortgage loans		472,071,987	477,020,536
Payables to group enterprises		220,288,726	220,997,213
Long-term debt	9	692,360,713	698,017,749
Mortgage loans	9	0	562,592
Prepayments received from customers		3,771,885	3,861,638
Trade payables		3,494,730	1,193,837
Payables to group enterprises		241,426	245,173
Payables to group enterprises relating to corporation tax		1,597,026	954,132
Deposits		12,380,324	11,860,974
Other payables		414,656	14,841
Short-term debt		21,900,047	18,693,187
Debt		714,260,760	716,710,936
Liabilities and equity		1,054,769,408	1,048,145,253
Key activities	1		
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# **Statement of changes in equity**

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	500,000	2,605,247	228,094,283	231,199,530
Net profit/loss for the year	0	-1,124,401	7,950,690	6,826,289
Equity at 31 December	500,000	1,480,846	236,044,973	238,025,819



## 1. Key activities

The Company's key activity is to conduct business with planning, development, construction and rental of properties for the purpose of resale as well as other related activities.

	2022	2021
2. Staff		
Average number of employees	0	0
2	2022	2021
<del></del>	DKK	DKK
3. Financial income		
Interest received from group enterprises	0	5,389,933
Other financial income	0	43,493
		5,433,426
2	2022	2021
	DKK	DKK
4. Financial expenses		
Interest paid to group enterprises 18	3,389,908	1,321,561
	2,634,950	92,342,477
Exchange adjustments, expenses	0	6,195
Exchange loss	0 _	537,456
21	,024,858	94,207,689



	2022	2021
	DKK	DKK
5. Special items		
Early redemption hedge	0	76,952,613
	0	76,952,613

In 2021, the company has repaid the company's hedge. As a result, the hedge is considered to be ineffective and is repaid at the same time as the loan. The negative market value of the interest rate swap at the time of redemption was expensed in 2021 as financial costs in the income statement and the negative fair value reserve under equity was reversed, whereby the transaction is equity neutral (recirculation).

	2022	2021
	DKK	DKK
6. Income tax expense		
Current tax for the year	1,533,576	6,653,573
Deferred tax for the year	2,386,472	9,864,967
Adjustment of tax concerning previous years	-138,430	587,164
	3,781,618	17,105,704
thus distributed:		
Income tax expense	3,781,618	-6,495,071
Tax on equity movements	0	23,600,775
	3,781,618	17,105,704



## 7. Assets measured at fair value

	Investment properties
	DKK
Cost at 1 January	527,035,661
Cost at 31 December	527,035,661
Value adjustments at 1 January	412,867,179
Revaluations for the year	8,406,929
Value adjustments at 31 December	421,274,108
Carrying amount at 31 December	948,309,769

## 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.

The fair value of Investment properties has been calculated based on the following assumptions:

	2022
The fair value of investment properties amounts to	948,309,770
Value adjustment, income statement	8,406,929
Exit yield	4,04% - 6,55%
Average WACC	6,04% - 8,55%



		2022	2021
		DKK	DKK
		DKK	DKK
8. Investments in subsidiaries			
Cost at 1 January		7,526,256	7,526,256
Cost at 31 December		7,526,256	7,526,256
Volue adjustments at 1 January		2 605 247	222 207
Value adjustments at 1 January Exchange adjustment		2,605,247 0	332,297 2,272,950
Net profit/loss for the year		-1,124,401	2,272,330
Value adjustments at 31 December		1,480,846	2,605,247
Carrying amount at 31 December		9,007,102	10,131,503
Investments in subsidiaries are specified as follows:			
Name	Place of registered office	Share capital	Ownership
NIP Living Bjørnøvej ApS	Copenhagen	126.000	100%



## 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:

	2022	2021
	DKK	DKK
Mortgage loans		
After 5 years	472,071,987	474,948,601
Between 1 and 5 years	0	2,071,935
Long-term part	472,071,987	477,020,536
Within 1 year	0	562,592
	472,071,987	477,583,128
Payables to group enterprises		
After 5 years	220,288,726	220,997,213
Long-term part	220,288,726	220,997,213
Within 1 year	0	0
Other short-term debt to group enterprises	241,426	245,173
Short-term part	241,426	245,173
	220,530,152	221,242,386
	2022	2021
	DKK	DKK

## 10. 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

948,309,769

939,902,840

## 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.



## 11. Related parties and disclosure of consolidated financial statements

# Consolidated Financial Statements The Company is included in the Group Annual Report of the Parent Company of the smallest group: Name NREP Income+ Fund MasterCo S.à. r.l. Place of registered office Luxembourg



## 12. Accounting policies

The Annual Report of NIP Living Fyn ApS for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2022 are presented in DKK.

#### **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**

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

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.

## **Income statement**

## Net sales

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.

### Other external expenses

Other external expenses comprise indirect production costs and 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 revenue, expenses for raw materials and consumables and other external expenses.

#### Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

#### Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

#### 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 changes in deferred tax for the year. The tax attributable to the profit for the 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 group companies. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

## **Balance** sheet

## Investment properties and other property, plant and equipment

#### **Investment properties**

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 supsuppliers 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.

In Management's opinion the classification of the properties as investment properties did not cause any difficulties.

The fair value of investment properties has been assessed by an independent assessor firm at 31 December 2022.

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. The assumptions applied are disclosed in the notes.



The fair value of investment properties has been determined at 31 December 2022 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.

## Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

#### Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

### 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.

## **Prepayments**

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

## 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, including the tax base of tax loss carry-forwards, 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 on-account taxation scheme are recognised in the income statement in financial income and expenses.

## Financial debts

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.

