NREP A/S
Cvr. nr. 29168709

Annual Report
For the financial year 1 January - December 31, 2020

Southamptongade 4,
DK-2150 Nordhavn

The Annual Report was presented and adopted at the Annual General meeting on the 29 June 2021

NREP A/S

Contents

MANAGEMENT'S STATEMENT

The Executive Board and Board of Directors have today considered and adopted the Annual Report of NREP A/S for the financial year 1 January to 31 December 2020.

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and the Parent Company Financial Statements have been prepared in accordance with the Danish Financial Statements Act. The Management's Review has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position at 31 December 2020 of the Group and the Parent Company and of the results of the Group and Parent Company operations and consolidated cash flows for 1 January to 31 December 2020.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial matters of the group and the Parent Company, of the results for the year and of the financial position of the Group and the Parent Company.

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

Nordhavn, 29 June 2021

Executive Board

Claus Schei Mathisen

Henrik Skak Bender

Board of Directors

Mikkel Bülow-Lehnsby
Chairman

Celia Francis

Morten Beck Jørgensen

Rasmus Nørgaard

Rickard Tobias Svensson Dahlberg

INDEPENDANT AUDITOR'S REPORT

To the Shareholder of NREP A/S

Opinion

In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position at 31 December 2020 and of the results of the Group's operations and cash flows for the financial year 1 January 2020 to 31 December 2020 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Moreover, in our opinion, the Parent Company Financial Statements give a true and fair view of the Parent Company's financial position at 31 December 2020 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of NREP A/S for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as statement of comprehensive income and cash flow statement for the Group ("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 Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement 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 Consolidated Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and for the preparation of Parent Company 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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional 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 over-ride 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Financial Statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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, 29 June 2021
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Jacob F Christiansen State Authorised Public Accountant mne18628	Thomas Wraae Holm State Authorised Public Accountant mne30141

COMPANY INFORMATION

The Company	NREP A/S Southamptongade 4 DK-2150 Nordhavn Website: www.nrep.com CVR No: 29 16 87 09 Financial period: 1 January - 31 December Incorporated: 2 November 2005 Financial year: 15th financial year Municipality of reg. Office: Copenhagen
Board of Directors	Mikkel Bülow-Lehnsby, Chairman Celia Francis Rasmus Nørgaard Morten Beck Jørgensen Rickard Tobias Svensson Dahlberg
Executive Board	Claus Schei Mathisen Henrik Skak Bender
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup
Lawyers	Bruun & Hjejle Nørregade 21 DK-1165 København K
Bankers	Danske Bank A/S Strødamvej 46 DK-2100 København Ø

FINANCIAL HIGHLIGHTS

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

	Group				
	2020	2019	2018	2017	2016
DKK ('000s)					
Key figures					
Profit/loss					
Revenue	525,303	294,662	249,927	168,219	158,983
Operating profit/loss	359,351	197,198	184,676	97,797	111,000
Profit/loss before financial income and expenses	90,370	35,990	48,179	40,089	59,536
Net financials	(11,779)	2,495	(2,996)	(313)	(377)
Net profit/loss for the year	90,152	50,323	33,506	36,180	44,332
Balance sheet					
Balance sheet total	931,959	403,089	267,154	158,787	101,625
Equity	637,286	191,568	140,734	49,115	32,810
Cash flows					
Cash flows from:					
- operating activities	173,115	35,093	20,611	(12,800)	52,868
- investing activities	(91,447)	(13,454)	(16,278)	19,019	(8,399)
including investment in property, plant and equipment	(1,649)	(12,288)	(858)	(1,792)	(1,442)
- financing activities	361,053	(6,012)	11,314	(3,385)	(51,084)
Change in cash and cash equivalents for the year	442,721	15,627	15,647	2,835	(6,615)
Average number of employees	202	151	121	88	64
Ratios					
Gross margin	68.4%	66.9%	73.9%	58.1%	69.8%
Profit margin	17.2%	12.2%	19.3%	23.8%	37.4%
Return on assets	9.7%	8.9%	18.0%	25.2%	58.6%
Solvency ratio	68.4%	47.5%	52.7%	30.9%	32.3%
Return on equity	21.8%	30.3%	35.3%	88.3%	120.7%

The ratios have been calculated in accordance with the recommendations of the Association of Danish Financial Analysts. The ratios are defined as follows:

Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials x 100}}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials x 100}}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$

MANAGEMENT'S REVIEW

Key activities

NREP is a purpose-driven, values-led real estate investor that innovates, develops, operates, and invests, to make real estate better. The company operates in a vertically integrated way and seeks to pioneer new solutions by thinking of real estate as products serving specific customer needs, contrary to the industry's traditional 'asset-thinking'. Driven by a purpose to "improve the built environment to enrich peoples' lives", NREP leverages its multidisciplinary teams to develop real estate and real estate anchored businesses that create long-term value for all stakeholders, i.e. customers, tenants, investors, communities and the wider society in which NREP invests, as well as for the NREP family of employees.

The core competence of NREP is its ability to identify, source, assess and execute long-term, value-adding investment strategies in the property sector. NREP aims at identifying strategies under which competitive advantages may be accumulated over time; either through operating skills or through the process of building segment- and customer specific brands. NREP continues to develop its expertise and has continued to enter into new real estate platforms, i.e. for student housing, care homes, as well as enter into upstream value-chain developments. NREP focuses on segments which have structural tailwinds due to persistent trends like demographics or changes in living and consumer patterns. NREP's key investment segments are Living, Logistics, Care homes, Offices, and Technologies for real estate.

NREP continued its purpose and intent of contributing to the surrounding communities and help improve people´s lives by making real estate better. Specifically, NREP kept on pioneering and scaling sustainability solutions that help reduce CO2 emission. In 2020, this work included geothermal heating for larger logistics facilities, as well as installing the largest ever building-mounted system of solar panels in the Nordics. Thus, NREP's commitment to 100% green electricity in all properties by 2025 is on track. NREP's lighthouse projects - such as UN17 Village in Ørestad, Copenhagen - are key examples of the vision to drive the sustainability agenda of the industry forward. NREP has also further advanced its focus and partnerships around wood-based construction, upcycling, and green certifications, in close partnerships with other industry innovators and organisations.

As a large provider of new housing options to the Nordic capitals, NREP has furthered its focus on community-based living solutions, for instance Plushusene and Agorahaverne. Both concepts are built on sound social science to improve quality of life and create communities for the people living in such concepts, across or within generations, to further boost inclusion, diversity and well-being.

NREP has lastly entered the urban development priority, with a strong aim to improve lives in urban areas previously characterized by low income, above-average crime rates and poor projections. A key example is Tingbjerg in Copenhagen, where NREP will build more than 1,000 new homes, improve infrastructure and introduce more cultural offerings as well as retail opportunities. The project is carried out in close collaboration with the social housing companies of the areas.

NREP A/S

By the end of 2020, NREP had a total of €7.1 billion in assets under management and more than 2.5 million square meters of real estate across the Nordics.

Basis of preparation

The Consolidated Financial Statements of the NREP Group for 2020 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted in EU and additional Danish disclosure requirements. The financial Statements of NREP A/S (the Parent Company) have been prepared in accordance with the Danish Financial Statements Act.

Key development in the year

The income statement of the Group for 2020 shows a profit of DKK 90 million and at 31 December 2020 the balance sheet of the Group shows equity of DKK 637 million compared to a Group profit of DKK 50 million in 2019 and an equity of DKK 192 million at 31 December 2019.
In many ways 2020 has been a very eventful year for NREP with a number of major milestones achieved. Below are some of the main activities in 2020 in terms of organization, fund raising and larger deals & partnerships:

- February; Emanuel Bena joins as partner in UK, being the first UK based partner in NREP's efforts to establish a foothold in UK, with the role as Head of Capital Markets and with focus on structured deals.
- May; Novo joins as 25% owner of NREP A/S, and Morten Beck Jørgensen joins as board member
- March; NREP divests its shares in NIO
- June; Henrik Skak Bender joins as partner and COO in a newly established role as part of the Executive Management Team in NREP
- September; Closing of the largest value-add fund in the Nordics (NSF IV) of EUR 1,9 billion
- October; NREP enters into cooperation with Ernst & Young to transform its financial operational platform and create best-in-class finance operating model, aimed at a scalable and flexible solution from lease administration over accounting to consolidation and reporting.
- November; First closing of the new NREP Income+ fund (NIP)
- December; As the first company, NREP starts to implement pan-Nordic use of an Artificial Intelligence tool (Spacemaker) to support a more customer-centric, effective, and sustainable development of real estate.
- December; NREP's largest Logistics acquisition becomes a reality, as NIP takes over a highly automated, high-bay quality property measuring 84,800 m2, let to the grocery retailer Coop.

115 new employees joined NREP in 2020 bringing the total number of employees at end of 2020 to 298, equivalent to 245 FTE.

Follow-up on development expectations from last year

The profit of the year reflects:

· Managements fees and other income has been higher than expectations, as new funds raised and funds committed investments ended higher than expected. Management fees and other income increased by DKK 230 million or 80% compared to 2019 and exceeded the budget by 8%.

· Continued professionalization of NREP through continued recruitment of high-level professionals, hereunder focus on investment teams locally as well as the continued build-up and competency-enhancement of corporate functions to enable the strong growth of NREP and strengthening of NREP Systems. Overall, a total of 115 new employees joined NREP in 2020.

· Returns on co-investments in NREP managed funds.

Profit before tax of the year increased by DKK 48 million equal to an increase of 100% which was higher than expected.

Management considers the result for the year to be very satisfactory as a result of the above-mentioned circumstances. Management considers 2020 to be a year of investing into the organization, including new talent base and stronger functions to allow for the growth strategy 2020 – 2025, wherefore the result before financial items was higher than in previous years, and in line with NREP's long-term plans.

Targets and expectations for the year ahead

Despite Covid-19, Management expects a higher level of activity during 2021. Due to continued divestment of smaller existing funds, some fees will be reduced. However, with the full effect of fees from NSF IV and NIP, combined with additional new fund raises and the fund management agreement with Dades (see further under Subsequent events) income in 2021 is expected to be slightly higher than 2020. Additional new fund products are being considered; however, they are likely to launch in late 2021 or beginning of 2022 and will therefore have limited impact on the 2021 results.

Costs are expected to continue to increase, as NREP is continuing building its organization and will seek to increase number of employees in a range of 25-40%. Furthermore, investments in new platforms will continue to outpace the revenue stream from these new activities, as expected, until these platforms result in large bases of new assets, which will happen from the ongoing development projects in both NSF III as well as NSF IV.

Hence, the result for the coming year is expected to be lower than in 2020, but in line with budgets and longer-term strategic plans. Management fee and other income are expected to increase in the range of 10-15% in 2021 and profit before taxes is expected to decrease in the range of DKK 50-75 million.

Special risks - operating risks and financial risks

The Group regularly defines, monitors and manages its external risks (including foreign exchange risk, credit risk, investment risk, liquidity risk, reputation risk et. al.) to align with the risk appetite of its stakeholders.

Market risks

Management fees received from funds are primarily based on the committed or deployed capital. In Management's assessment, the risk profile of the NREP Group is normal for this Market.

The value assessments of properties held directly or indirectly through equity investments are inherently subject to some degree of uncertainty. In order to limit the risk as much as possible, all relevant properties have been assessed by external valuers, who are external parties independent of the company.

Foreign exchange risks

The Group primarily receives management fees in EUR, whereas the Group's expenses are distributed between DKK, SEK, NOK and EUR. This implies a risk in respect of exchange fluctuation of which the main part is however covered for operating purposes by matching income and expenses in the same currency. During 2020 NREP further strengthened its focus on treasury related risk areas, by adding a dedicated Treasury function.

Interest rate risks

NREP A/S and affiliated companies have little exposure to interest rate risk as external financing is limited to a working capital facility and a mortgage loan.

The NREP group might be indirectly exposed to interest rate risk through the Funds' performance. Funds have a dedicated policy for their own interest rate risk exposures.

Development activities

During the year investments of DKK 7 million were made in development activities. Development projects include investments in a number of new platforms as well as specific joint ventures with the aim to support the long-term strategy and focus areas of NREP. Importantly, NREP has built significant internal competencies within development and construction, and by mid-2020 NREP's in-house construction team comprises of 25 full time employees. During the first period with Covid-19 (March-May 2020), NREP had less than 1% of its building sites delayed.

External environment

NREP considers effective environmental risk management and sustainability a prerequisite to operate, but it also sees it as an integrated part of ensuring and improving the long-term value of its investments. Effective environmental management not only mitigates potential future risks and liabilities but is also an opportunity to directly improve both net operating income, capital requirements and residual value.

NREP is committed to establish sustainable relationships with the local stakeholders impacted by our businesses to ensure mutual respect and understanding, active partnership and a long-term sustainable commitment. Well beyond mere regulatory compliance, NREP's ambition is to have a positive impact on the local communities in which we invest.

NREP explicitly includes sustainability as a key component in its investment policy and investment decision-making.

Subsequent events

February 2021: NREP launches '2150', a dedicated venture capital firm, to further accelerate a sustainable transition of the built environment. The €130 million initial closing of 2150's first fund received backing from Chr. Augustinus Fabrikker, Novo Holdings and Vaekstfonden, part of Denmark's Green Future Fund. The fund targets to invest in roughly 20 companies, each with a potential to become a so-called 'gigacorn', a commercially successful company with the potential to reduce or mitigate gigatons of CO_2. The first company to be backed by the fund is CarbonCure Technologies, a Canadian cleantech company with an innovative technology that injects recycled CO_2 into fresh concrete.

May 2021: Celia Francis joins as independent/external member of the Board of Directors of NREP A/S. Celia Francis has held senior leadership roles at companies like AltaVista and T-Mobile. Later, she became CEO of WeeWorld, a social networking company. Most recently, Celia was CEO of Rated People for five years. Rated People is the UK's largest online marketplace for connecting homeowners with local tradespeople. Celia Francis' deep experience with product development, customer experience and technology is expected to greatly benefit NREP. Celia Francis, based in London, graduated from Harvard and holds an MBA from MIT.

May 2021: NREP signs an agreement to take over the future asset management and optimization mandate of a €3.4bn real estate portfolio – consisting primarily of offices – from Dades, one of Denmark's largest real estate owners. The strategic rationale is to strengthen NREP's new strategy within the multi-purpose office segment and increase the company's presence in and positive impact on the Danish real estate market. NREP will insource all Dades' employees working on the portfolio today and, over time, expand with asset management teams to further manage and enhance the portfolio. The mandate for any new investments stays with Dades, which will continue to exist as the legal owner. Total footprint of the portfolio is 1.1m sqm, primarily located in Copenhagen and Aarhus, split across 101 properties in total (66 office properties, 11 local retail shopping centers, and 24 multi-family residential properties).

CONSOLIDATED AND PARENT FINANCIALS STATEMENT

STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31	Note	Group 2020 DKK	Group 2019 DKK	Parent 2020 DKK	Parent 2019 DKK
Revenue	5	**525,302,710**	**294,661,938**	**263,899,521**	**150,637,566**
Other administrative expenses		(165,951,423)	(97,463,585)	(90,703,600)	(51,193,024)
Operating profit/loss		**359,351,287**	**197,198,353**	**173,195,921**	**99,444,542**
Income from investments in associates related to NREP managed funds	16	16,481,355	16,803,919	-	-
Income from investments in other investments related to NREP managed funds	17	49,708,655	46,215,659	-	-
Staff expenses	6	(319,159,905)	(190,061,368)	(162,130,634)	(92,900,223)
Depreciation, amortisation and impairment losses	10, 11, 12	(16,011,338)	(34,166,360)	(1,723,370)	(18,615,992)
Profit/loss before financial income and expenses		**90,370,054**	**35,990,203**	**9,341,917**	**(12,071,673)**
Income/loss from investments in subsidiaries	14	-	-	66,179,225	(12,168,119)
Income from investments in joint ventures	15	(4,357,578)	-	(4,357,578)	-
Income from investments in associates	16	5,867,353	(3,871,837)	2,203,062	-
Income from investments in other investments	17	(2,915,542)	-	-	-
Net gain/loss in sale of shares in other investments	13	18,633,374	12,609,218	12,554,532	11,697,780
Financial income	7	380,231	10,420,434	6,155,837	4,431,409
Financial expenses	8	(12,159,288)	(7,925,772)	(5,223,260)	(3,408,387)
Profit/loss before tax		**95,818,604**	**47,222,247**	**86,853,735**	**(11,518,990)**
Tax on profit/loss for the year	9	(5,666,110)	3,101,234	(2,399,494)	2,340,263
Net profit/loss for the year		**90,152,494**	**50,323,481**	**84,454,241**	**(9,178,727)**
Thereof:					
Attributable to the parent company		61,467,817	38,886,287		
Attributable non-controlling interests		28,684,677	11,437,195		
		90,152,494	**50,323,481**		
Item that may be reclassified to profit or loss					
Exchange differences on translation of foreign operations		2,625,692	1,536,007		
Total other comprehensive income		**2,625,692**	**1,536,007**		
Total comprehensive income		**92,778,186**	**51,859,488**		
Thereof:					
Attributable to the parent company		64,294,214	40,422,294		
Attributable non-controlling interests		28,483,972	11,437,195		
		92,778,186	**51,859,488**		

NREP A/S

STATEMENT OF FINANCIAL POSITION

As at December 31		Group		Parent	
	Note	2020	2019	2020	2019
		DKK	DKK	DKK	DKK
Software		317,883	-	317,883	-
Development projects in progress		7,089,716	7,659,601	-	-
Intangible assets	10	7,407,599	7,659,601	317,883	-
Land and buildings	11	1,210,417	1,235,407	1,210,417	1,235,417
Other fixtures, fittings, tools and equipment	11	5,397,757	5,058,997	-	56,507
Leasehold improvements	11	5,161,157	6,570,842	5,161,156	6,570,842
Right-of-use assets	12	48,376,264	57,138,011	-	-
Property, plant and equipment total		60,145,595	70,003,257	6,371,573	7,862,766
Investments in subsidiaries	14	-	-	103,343,078	48,600,354
Investments in joint ventures	15	2,937,422	-	2,937,422	-
Investments in associates	15	64,242,823	93,026,749	15,873,481	5,235,186
Receivables from group enterprises	17	-	-	29,838,423	6,291,313
Other investments	17	171,283,002	80,304,374	2,579,022	13,717,015
Other receivables	17	4,587,688	6,877,425	2,242,076	1,846,211
Deferred tax asset	9	2,797,599	3,859,972	110,297	2,375,248
Total non-current assets		**313,401,728**	**261,731,379**	**163,613,255**	**85,928,094**
Trade receivable	18	65,581,704	38,519,564	35,705,584	16,577,031
Receivables from group enterprises	18	-	199,089	101,419,877	51,015,546
Other receivables and income tax receivables	18	42,914,072	29,118,999	27,805,930	12,809,554
Prepayments	19	4,602,575	4,290,198	2,464,023	3,602,696
Cash		505,459,251	62,738,005	449,923,928	9,237,743
Total current assets		**618,557,602**	**134,865,856**	**617,319,342**	**93,242,570**
Assets classified as held for distribution / sale	13	**-**	**6,491,602**	**-**	**-**
Total assets		**931,959,330**	**403,088,837**	**780,932,597**	**179,170,664**
Share capital	21	1,359,094	1,000,000	1,359,094	1,000,000
Equity method reserve		-	-	70,717,380	13,862,265
Reserve for foreign currency translation		3,387,665	561,268	-	-
Retained earnings		579,133,147	150,244,147	440,081,368	43,823,204
Equity attributable to shareholders of parent company		**583,879,906**	**151,805,415**	**512,157,842**	**58,685,469**
Minority interests		53,405,771	39,762,107	-	-
Equity		**637,285,677**	**191,567,521**	**512,157,842**	**58,685,469**
Provisions	29	19,131,900	-	-	-
Lease liabilities	12	36,177,258	39,396,805	-	-
Other payables	23	14,493,360	17,228,454	-	3,745,817
Total non-current liabilities		**69,802,518**	**56,625,259**	**-**	**3,745,817**
Lease liabilities	13	12,820,118	17,736,450	-	-
Credit institutions	24	44,860,694	47,739,177	43,387,778	47,658,935
Trade payables	23	43,019,499	7,978,484	36,419,774	3,520,228
Payables to group enterprises		-	-	136,374,707	39,638,537
Other payables	24	124,170,824	81,424,453	52,592,496	25,921,679
Total current liabilities		**224,871,135**	**154,878,562**	**268,774,755**	**116,739,379**
Total liabilities		**294,673,653**	**211,503,822**	**268,774,755**	**120,485,196**
Liabilities directly associated with assets classified as held for distribution / sale	13	**-**	**17,494**	**-**	**-**
Total equity and liabilities		**931,959,330**	**403,088,837**	**780,932,597**	**179,170,664**

STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2020

Group	Share capital	Reserve for foreign currency translation	Retained earnings	Equity attributable to owners of the parent company	Non-controlling interests	Total
	DKK	DKK	DKK	DKK	DKK	DKK
2020						
Equity at 1 January	1,000,000	561,268	150,244,147	151,805,415	39,762,107	191,567,522
Net profit/loss for the year	-	-	61,467,817	61,467,817	28,684,677	90,152,494
Exchange differences relating to foreign entities	-	2,826,397	-	2,826,397	(200,705)	2,625,692
Total comprehensive income for the period	**-**	**2,826,397**	**61,467,817**	**64,294,214**	**28,483,972**	**92,778,186**
Transactions with owners						
Capital increase	359,094	-	391,272,313	391,631,407	-	391,631,407
Warrant program	-	-	1,601,714	1,601,714	-	1,601,714
Transaction with minorities	-	-	(1,237,856)	(1,237,856)	1,237,856	-
Distribution of shares	-	-	(24,214,988)	(24,214,988)	-	(24,214,988)
Extraordinary dividend paid	-	-	-	-	(16,078,164)	(16,078,164)
Equity at 31 December	1,359,094	3,387,665	579,133,147	583,879,905	53,405,771	637,285,676
2019						
Equity at 1 January	1,000,000	(974,739)	111,357,860	111,383,121	29,350,975	140,734,096
Net profit/loss for the year	-	-	38,886,287	38,886,287	11,437,195	50,323,481
Acquisitions/Divestments	-	-	-	-	(307,574)	(307,574)
Exchange differences relating to foreign entities	-	1,536,007	-	1,536,007	25,672	1,561,679
Total comprehensive income for the period	**-**	**1,536,007**	**38,886,287**	**40,422,294**	**11,155,293**	**51,577,587**
Transactions with owners						
Extraordinary dividend paid	-	-	-	-	(744,161)	(744,161)
Equity at 31 December	1,000,000	561,268	150,244,147	151,805,415	39,762,107	191,567,521

Parent	Share capital	Equity method reserve	Retained earnings	Total
	DKK	DKK	DKK	DKK
2020				
Equity at 1 January	1,000,000	13,862,265	43,823,203	58,685,469
Net profit/loss for the year	-	56,855,115	27,599,126	84,454,241
Share capital increase	359,094	-	391,272,313	391,631,407
Warrant program	-	-	1,601,714	1,601,714
Distribution of shares	-	-	(24,214,988)	(24,214,988)
Equity at 31 December	1,359,094	70,717,380	440,081,369	512,157,843
2019				
Equity at 1 January	1,000,000	27,754,448	39,109,747	67,864,195
Net profit/loss for the year	-	(13,892,183)	4,713,457	(9,178,726)
Equity at 31 December	1,000,000	13,862,265	43,823,204	58,685,469

STATEMENT OF CASH FLOWS

	Note	Group 2020	Group 2019
		DKK	DKK
Net profit/loss for the year		90,152,495	50,323,481
Adjustments to reconcile profit before tax to net cash flows:			
Financial income	7	(380,231)	(10,420,434)
Financial expenses	8	12,159,288	7,925,772
Depreciation, amortisation and impairment losses	10, 11, 12	16,011,338	34,166,360
Loss (gain) on disposal property, plant and equipment		(79,462)	-
Loss (gain) on disposal investments in associates		(18,633,374)	-
Income from Investments in associates	16	(5,867,353)	3,871,837
Income from investments in joint ventures	15	4,357,578	-
Income from investment in other investments	16	2,915,542	
Income from investments in associates related to NREP managed funds	16	(16,481,355)	(16,803,919)
Income from investments in NREP managed funds	17	(49,708,655)	(46,215,659)
Tax on profit/loss for the year	9	5,666,110	(3,101,234)
Changes in net working capital:			
Change in other non-current receivables		2,289,736	(3,839,407)
Change in receivables and other receivables		(45,115,768)	(4,270,931)
Change in prepayments		(312,376)	4,249,579
Change in trade payables and other payables		77,787,386	30,142,917
Change in non-current other payables		(2,735,094)	(2,229,408)
Provisions		19,131,900	-
Interest income received	7	270,736	273,071
Dividend income received	7	85,964,767	10,147,364
Interest paid	8	(7,327,328)	(9,058,602)
Exchange rate realised net	8	(4,915,019)	-
Income tax paid	9	7,964,238	(10,067,735)
Net cash flow from operating activities		**173,115,099**	**35,093,050**
Purchase of intangible assets	10	(511,943)	(14,054,325)
Purchase of property, plant and equipment	11	(1,648,713)	(12,288,058)
Purchase of investments in associates	16	(5,919,326)	1,385,614
Purchase of investments in joint ventures	15	(6,270,000)	-
Disposal assets/liabilities held for sale	13	(865,128)	8,382,280
Purchase of other non-current financial assets	17	(78,883,409)	-
disposal of other non-current financial assets	17	2,651,466	3,120,015
Net cash flow from investing activities		**(91,447,053)**	**(13,454,475)**
Capital increase		391,631,407	-
Proceed from borrowings from credit institutions	24	(2,878,483)	19,959,523
Repayment of loans from group enterprises		-	(746,493)
Repayment of principal portion of lease liabilities	12	(13,223,274)	(11,010,309)
Non-current borrowings - disclosed as liabilities to held for sale		-	(14,214,488)
Share based payment expense		1,601,714	-
Dividend paid to NCI	20	(16,078,164)	-
Cash flow from financing activities		**361,053,200**	**(6,011,767)**
Change in cash and cash equivalents		**442,721,246**	**15,626,808**
Cash and cash equivalents at 1 January		62,738,005	46,601,252
Exchange adjustment of cash and cash equivalents		-	509,945
Cash and cash equivalents at 31 December		**505,459,251**	**62,738,005**

The notes on pages 16 to 56 form an integral part of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

1. General Information

NREP is a vertically integrated real estate product innovator, developer, investor and operator that seeks to make real estate better. NREP takes a multi-stakeholder approach and leverages its multidisciplinary team to develop real estate and real estate anchored businesses that create long-term value for tenants, investors and the wider communities in which NREP invests.

NREP A/S was established on 2 November 2005 and operates as a North European investment group focusing on identifying, assessing and executing property related investment platforms mainly in the Scandinavian region.

The investment objective of these platforms is to pursue investments in real estate, either through equity or debt instruments in Denmark, Finland, Norway and Sweden, with the intention of delivering strong risk adjusted returns. These platforms typically focus primarily on suburban areas around all capital cities as well as the main regional cities, targeting attractive locations in supply constrained areas in order to maintain high occupancy levels and the ability to increase rental income over time.

NREP A/S has its registered office at DK-2150 Nordhavn, Denmark

2. Accounting Policies for the Group

Statement of compliance

The financial statements of the Group for 2020 have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and additional Danish disclosure requirements.

The Group and Parent Company Financial Statements for 2020 are presented in DKK.

Comprehensive Income and Cash Flow Statement

The Group has elected to present a single statement of comprehensive income and presents its expenses by nature. The Group reports cash flows from operating activities using the indirect method. Financial income received from joint ventures and associates etc., and financial expenses paid on loans is presented within financing activities in the cash flow statement. The acquisitions and disposals of investments are disclosed as cash flows from investing activities because this most appropriately reflects the Groups business activities.

Preparation of the Consolidated Financial Statements

The consolidated financial statements include the accounts of NREP A/S and all subsidiaries controlled by NREP A/S. Control is assumed when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to NREP A/S. They are deconsolidated from the date that control ceases. In assessing control, potential voting rights that are substantive, are considered.

Enterprises in which the Group has shared control is classified as joint ventures.

Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends, and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Funds

Each NREP fund, being composed of one or more limited Partnerships (or the equivalent) is managed by a general partner and/or a manager (jointly "Fund Manager"). The Fund Manager is a direct or indirect subsidiary of NREP A/S. The authority and powers of the Fund Manager are defined in the Limited Partnership Agreement (or similar).

Determining whether or not a Fund Manager should consolidate its managed funds is based on judgement of whether the Fund Manager is acting as a principal or an agent to the fund for accounting purposes. The assessment of the NREP A/S Groups expected level of return is based on the funds' performance, i.e. the variable returns. Should a fund generate variable return NREP A/S Group would be entitled to between 8 and 31 percent of the variable return, which is not considered to meet the control criterion in IFRS on link between power and return. Instead, NREP A/S Group is considered to be an agent in relation to the fund investors, for accounting purposes and, accordingly the funds are not consolidated.

Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. This is generally the case where the group holds between 20% and 50% of the voting rights.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its associates and joint ventures are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within 'Share of profit of an associate and a joint venture' in the statement of profit or loss. When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of NREP A/S.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Company.

Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

Translation policies

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in DKK, which is NREP A/S functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are recognised in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into DKK at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is expected to be realised or intended to be sold or consumed in the normal operating cycle, held primarily for the purpose of trading, expected to be realised within twelve months after the reporting period or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when it is expected to be settled in the normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period, there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Fair value measurement

The Group measures non-financial assets such as investment properties and investment in shares owned directly or indirectly, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted financial assets, and for non-recurring measurement, such as assets held for sale in discontinued operations. At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies.

External valuers are involved for valuation of significant assets, such as investment properties or investment in equity on an unquoted financial market. Involvement of external valuers is determined annually by the Group.

Revenue from contracts with customers

IFRS 15 Revenue from Contracts with Customers ("IFRS 15"), specifies how and when revenue should be recognized and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. A performance obligation is a promise in a contract to transfer a distinct good or service (or a bundle of goods and services) to the customer and is the unit of account in IFRS 15. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue, as, or when, the performance obligation is satisfied. The company recognizes revenue when it transfers control of a product or service to a customer. The company recognizes revenue from the following major sources:

Asset Management Fee

The company's primary asset management revenue streams, which include base management fees, incentive fees (including incentive distributions and performance fees), are satisfied over time.

The company earns base management fees in accordance with contractual arrangements with our long-term private funds, perpetual strategies, and public securities' investment vehicles. Fees are typically equal to a percentage of fee-bearing capital within the respective fund or entity and are accrued quarterly. These fees are earned over the period of time that the management services are provided and are allocated to the distinct services provided by the company during the reporting period.

Service corporate fee

Service corporate fee revenue stream relate to services not included in the asset management fee agreement that the Group performs on behalf of the funds it manages. The revenues arising these services are recognized on a time spend basis.

Other

Other revenues relate to the hospitality operations which is generated by providing accommodation, food and beverage and leisure facilities to hotel guests. Revenue from accommodation is recognized over the period that the guest stays at the hotel; food and beverage revenue as well as revenue from leisure activities is recognized when goods and services are provided.

Income from interests in associates and other investments related to NREP Managed funds

Income from interest in associates and other investments related to NREP Managed funds comprise a fair value movement of the other investments directly or indirectly held by the Group.

The carried interest income is calculated taking into account the required performance conditions and distribution agreements with each Fund as a whole.

Other administrative expenses
Other administrative expenses comprise expenses for premises, sales as well as office expenses, etc.

Staff expenses
Staff expenses comprise wages and salaries as well as payroll-related expenses.

Pension
The Group makes contributions to defined contribution pension plans. The contributions are recognized in the consolidated statement of comprehensive income as incurred.

Share base compensation
Warrants were issued to certain partners end employees of the Group. The warrants are equity-settled shared-based payment transactions as they may only be settled by shares in NREP A/S. The costs related to the warrants are recognized over the vesting period of four year. The participants must make certain payments for receiving the warrants, which is assumed to equal the fair value of the issued warrants. The costs related to the warrant are offset by the payments received from the participant, creating a nil impact on the consolidated statement of comprehensive income.

The fair value of the employee services received in exchange for the warrants is determined at the grant date.

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

Financial income and expenses
Financial income and expenses comprise interest income and expense determined on an amortised cost basis and exchange rate adjustments.

Property, plant and equipment
Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction. All indirectly attributable borrowing expenses are recognised in the income statement.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Land and buildings	50	years
Other fixtures and fittings, tools, and equipment	3-5	years
Leasehold improvements	5-20	years

Depreciation period and residual value are reassessed annually.

Intangible assets
Finite life intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses and are amortized on a straight-line basis over their estimated useful lives. Amortization is recorded within depreciation and amortization in the Statements of comprehensive income. The company only has software as finite life intangible.

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

Impairment non-financial assets
The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Leases
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. Refer to note 12.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section Impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Assets held for distribution / sale

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

Income taxes

Current tax receivables and liabilities

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax assets and liabilities
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Financial assets

Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

The Group only has financial assets subsequently measured at amortised cost or at FVTPL. The financial assets at FVTPL are included in the other non-current investment in note 17.

Subsequent measurement
Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified, or impaired. The Company's financial assets are the following:

Financial assets at amortised cost are mainly trade receivables, the other current financial assets consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest as well as the long-term loans to affiliated companies included in other non-current financial assets.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. This category includes investments in equity instruments that do not meet the criteria of a subsidiary or an associate. These investments, included in other non-current financial assets (note 17) are presented at fair value, including the fair value of the carried interests. The profit or loss arising from the fair valuation as well as the carried interest calculation are presented in financial income and "income from carried interests" respectively.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:
• The rights to receive cash flows from the asset have expired
Or
• The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment
The Group calculates an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The expected credit loss is based on a provision matrix, which considers the Group's historic credit losses combined with forward looking information that is expected to affect the loss rates. The Group has no history of significant credit losses on receivables. Due to the substance in and the agreements for receivables combined with the historic low credit loss rate, the expected credit loss on rent and services charge receivables is immaterial.

Financial liabilities
Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings with credit institutions.

Subsequent measurement
For purposes of subsequent measurement, financial liabilities are classified in two categories:
- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

The Company does not have financial liabilities at fair value through profit and loss.

For the financial liabilities at amortised cost, after initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings. For more information, refer to note 24.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments
Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Cash and cash equivalents
Cash and cash equivalents in the statement of financial position comprise cash at banks subject to an insignificant risk of changes in value.

New and amended standards and interpretations

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Group but may impact future periods should the Group enter into any business combinations.

Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

Amendments to IAS 1 and IAS 8 Definition of Material

The amendments provide a new definition of material that states, “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the consolidated financial statements of the Group.

Amendments to IFRS 16 Covid-19 Related Rent Concessions

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16 if the change were not a lease modification.

The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no impact on the consolidated financial statements of the Group.

Standards issued but not yet effective

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively. The amendments are not expected to have a material impact on the Group.

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

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities 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 costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

3. Critical accounting estimates and judgements

The Group makes accounting estimates and judgements concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

The judgments, estimates and assumptions applied are based on historical experience and other factors that Management considers to be reliable, but which by their very nature are associated with uncertainty and unpredictability. These assumptions may prove incomplete or incorrect, and unexpected events or circumstances may arise. The most critical estimates, judgements and assumptions for the individual items are described below.

The Group is also subject to risks and uncertainties that may lead to actual results differing from these estimates, both positively and negatively.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Determining the lease term of contracts with renewal and termination options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group typically exercises its option to renew for these leases because there will be a significant negative effect on production if a replacement asset is not readily available. The renewal periods for leases of plant and machinery with non-cancellable periods are not included as part of the lease term as these are not reasonably certain to be exercised. In addition, the renewal options for leases of motor vehicles are not included as part of the lease term because the Group typically leases motor vehicles for not more than five years and, hence, is not exercising any renewal options. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Refer to note 12 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

Management has made the following judgments when applying accounting policies:

Shares are classified as equity investments if the Group does not have an obligation to sell the shares at cost or an amount lower than fair value if the Investors elect another Fund Manager. If the Group has such an obligation, such shares are considered contingent consideration arrangement related to the services delivered under the Investment Management agreements.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Fair value

(a) Interests in other financial assets managed by NREP owned directly by the Group or indirectly through an associate
Investments in associates and other investments includes shares owned directly or indirectly which are measured at fair value.

Valuation of some of the shares are subject to significant accounting estimates as the valuation is based on the performance of the NREP Managed Fund exceeding a predetermined hurdle rate, which is in turn driven by the risk factors of the fund including financial capacity of tenants to pay rent, market conditions in terms of supply and demand of buildings / rental space, NREP ability to buy / sell buildings at low / high valuation respectively at the right cycles of the fund investment cycle, independent valuations or better are obtained on sale, vacancy rates, renegotiation terms of rental and financing arrangements, FX rates stability as FX risk is not hedged in the fund, compliance with loan covenants, taxation rules stability and the discount rate applicable to forecasted carried interest flows.

(b) Properties in investments in associates and other non-current investments
Properties held by entities in which the Group hold an equity interest through investments in associates or non-controlling interests are normally measured at fair value. The fair value of investment properties is determined by NREP and assessed by independent valuators using acknowledged valuation techniques. The models used for valuing investment properties can include the net present value of estimated future cash flows, the capitalisation of expected yields approach, and/or recent transactions of comparable properties. The determination of the inputs in the valuation calculations requires management to make judgments and estimates.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to intangibles with indefinite useful lives recognised by the Group.

Management has reviewed the development projects and assessed the possibilities for realising a profitable business basis. These assessments have been used to assess the need of impairment of activated project costs. The assessment did not lead to impairments.

Leases - Estimating the incremental borrowing rate

When the Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

4. Accounting policies for the Parent Company

The accounting policies of the Parent Company are the same as for the Group except as described below:

The financial statements of the Parent company have been prepared in accordance with the Danish Financial Statements Act applying to medium enterprises of reporting class C.

The Parent Company Financial Statements for 2020 are presented in DKK.

The income statement is presented according to the nature of expenses. To obtain a true and fair view of the investment management activities of company, fair value changes and dividend from entities holding investments in the funds managed by NREP is presented as a separate line item within profit before financial items. Previously such shares were measured at cost and no fair value changes were reported. Further, income from associates holding such investments is presented as a separate item within profit before financial items.

Effective 1 January 2020, the Company has adopted act no. 1716 of 27 December 2018. The adoption has not affected the applied accounting policies for recognition and measurement of assets and liabilities but has implied changes to presentation and disclosure requirements.

The balance sheet is presented in a current/non-current order.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Revenue

The Parent Company has chosen to use IFRS15 as interpretation for revenue recognition. Income from the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are accounted for under the equity method. Undistributed reserves in subsidiaries are recognised in a separate reserve within equity.

Subsidiaries and associates with a negative net asset value are recognised at DKK 0 and it is assessed whether receivables should be considered uncollectible. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Other non-current investments

Investment in other non-current assets is measured at cost.

Receivables

Receivables are measured at amortised cost.

The Parent Company has chosen IAS 39 as interpretation for impairment of financial receivables.

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.

Leases

The Parent Company has chosen IAS 17 as interpretation for classification and recognition of leases.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Parent Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Parent Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Cash Flow Statement

With reference to section 86 paragraph 4 of the Danish Financial Statements Act, no Cash Flow Statement for the Parent Company are prepared.

5. Revenue

	Group		Parent	
	2020	2019	2020	2019
	DKK	DKK	DKK	DKK
Asset Management Fee	401,293,392	221,127,466	44,072,835	40,260,477
Service corporate fee	92,936,833	65,599,253	37,336,848	19,031,252
Other	31,072,485	7,935,219	(54,730)	-
Internal Advisory Fee	-	-	182,544,568	91,345,837
	525,302,710	**294,661,938**	**263,899,521**	**150,637,566**

The other revenues mainly relate to the revenues from the hospitality business "Noli" 2020 31m DKK (2019 6m DKK).

6. Staff expenses

	Group		Parent	
	2020	2019	2020	2019
	DKK	DKK	DKK	DKK
Wages and salaries	246,607,732	132,165,068	135,314,922	70,816,198
Pensions	20,267,433	12,787,622	7,135,414	4,278,646
Other social security expenses	15,654,145	9,242,790	25,521	233,201
Other staff expenses	36,630,595	35,865,888	19,654,777	17,572,178
	319,159,905	**190,061,368**	**162,130,634**	**92,900,223**
Average number of employees	**230**	**151**	**105**	**65**

Other staff expenses include staff recruitment, temporary work and meal vouchers.

Key Management Compensation

The key management for the NREP Group has been defined as the partner group, which consist of 14 persons (2019: 12 persons), executive Management and Board of Directors. The compensation paid or payables to key management for employee services is shown below:

	Group	
	2020	2019
	DKK	DKK
Wages and salaries	26,940,624	14,614,559
Pensions, defined contribution plans	219,981	164,151
Total	**27,160,605**	**14,778,710**
Compensation to the Board of Directors and Key Management		
Compensation to the Board of Directors	5,706,144	5,943,410
Compensation to the Key Management	21,454,461	8,835,300
	27,160,605	**14,778,710**

7. Financial Income

	Group		Parent	
	2020	2019	2020	2019
	DKK	DKK	DKK	DKK
Dividends on share in other inv.	-	10,147,364	5,966,757	3,477,105
Interest received from group enterprises	-	-	(15,041)	690,119
Other interest income	188,724	263,976	157,398	264,186
Other financial income	191,507	9,095	46,723	-
Total	**380.231**	**10,420,434**	**6,155,837**	**4,431,409**

Financial income principally relates to dividends received from other non-current financial assets.

8. Financial expenses

	Group		Parent	
	2020	2019	2020	2019
	DKK	DKK	DKK	DKK
Interest paid to group enterprises	-	-	2,225,373	755,599
Other interest expenses	5,902,716	1,695,745	2,176,017	1,064,706
Exchange losses	4,831,961	2,834,150	821,870	1,588,082
Lease expenses	1,424,612	1,132,830	-	-
Value adjustments other investments	-	2,263,047	-	-
	12,159,288	**7,925,772**	**5,223,260**	**3,408,387**

Other interest expenses refer to interest on working capital facility, interest on cash management services and other bank charges. Value adjustments other investments relate to impairments of investments in associated and other financial investments.

9. Income tax

The major components of income tax expense for the years ended 31 December 2020 and 2019 are:

	Group		Parent	
	2020	2019	2020	2019
	DKK	DKK	DKK	DKK
Current tax for the year	(4,603,737)	1,195,484	(134,543)	-
Deferred tax for the year	(1,062,373)	(4,296,714)	(2,264,951)	(2,340,263)
Income tax expense reported in the statement of profit or loss	**(5,666,110)**	**(3,101,230)**	**(2,399,494)**	**(2,340,263)**

Reconciliation of tax expense and the accounting profit multiplied by Denmark's domestic tax rate for 2019 and 2020:

	Group 2020	Group 2019	Parent 2020	Parent 2019
At Denmark's statutory income tax rate of 22% (2019: 22%)	**20,328,460**	**10,388,894**	**19,107,822**	**(2,534,178)**
Tax effects				
Difference in tax rates	-	(169,455)	-	-
Non-taxable income	(17,697,521)	(15,288,665)	(16,847,433)	-
Non-deductible expenses	2,301,935	2,476,780	757,822	90,542
Tax exempt dividends	-	-	(1,312,686)	103,475
Adjustment of tax relating to previous years	206,914	-	206,914	-
Warrant program	352,377	-	352,377	-
Other	174,052	(508,789)	134,678	(102)
Tax effects, total	**(14,662,343)**	**(13,490,129)**	**(16,708,328)**	**193,914**
Tax expenses	**(5,666,110)**	**(3,101,234)**	**(2,399,494)**	**(2,340,263)**
Effective tax rate	**-28%**	**-6%**	**-13%**	**20%**

	Group 2020	Group 2019	Parent 2020	Parent 2019
Deferred tax				
Provision for deferred tax at 1 January	(3,859,972)	436,742	(2,375,247)	(34,984)
Amounts recognised in the statement of income for the year	1,062,373	(4,296,714)	2,264,951	(2,340,263)
Deferred tax at 31 December	**(2,797,599)**	**(3,859,972)**	**(110,297)**	**(2,375,247)**
Property, plant and equipment	138,775	(271,174)	(110,297)	57,224
Development projects	707,916	707,916	-	
Tax loss carry-forward	(3,644,290)	(4,296,714)	-	(2,432,472)
	(2,797,599)	**(3,859,972)**	**(110,297)**	**-**
Of which presented as deferred tax assets	2,797,599	3,859,972	110,297	2,375,249
Of which presented as deferred tax liabilities	-	-	-	-

10. Intangible assets

Group 2020	Software	Development projects in progress	Total
	DKK	DKK	DKK
Cost at 1 January	21,071,387	10,920,826	31,992,213
Additions for the year	317,883	194,060	511,943
Movements due to currency	39,758	(26,374)	13,382
Cost at 31 December	21,429,028	11,088,512	32,517,539
Impairment losses & amortisation at 1 January	(21,071,387)	(3,261,225)	(24,332,612)
Impairment losses & amortisation for the year	-	(746,843)	(746,843)
Movements due to currency	(39,758)	9,273	(30,485)
Impairment losses & amortisation at 31 December	(21,111,145)	(3,998,795)	(25,109,940)
Carrying amount at 31 December	**317,883**	**7,089,717**	**7,407,599**

Group 2019	Software	Development projects in progress	Total
	DKK	DKK	DKK
Cost at 1 January	9,531,007	7,923,064	17,454,071
Additions for the year	11,540,380	2,997,762	14,538,142
Movements due to currency	-	-	-
Cost at 31 December	21,071,387	10,920,826	31,992,213
Impairment losses & amortisation at 1 January	(2,597,404)	(1,018,932)	(3,616,336)
Impairment losses & amortisation for the year	(18,444,324)	(2,245,014)	(20,689,338)
Movements due to currency	(29,659)	2,721	(26,938)
Impairment losses & amortisation at 31 December	(21,071,387)	(3,261,225)	(24,332,612)
Carrying amount at 31 December	**-**	**7,659,601**	**7,659,601**

Development projects in progress holds capitalized costs related to set up of the new serviced living hotel business and the new student residences business. The costs occurred consists of legal, marketing and ITC costs in connection with the set-up and development of the new businesses. Software assets and impairment losses in prior years relate to accounting system still in use.

Parent 2020	Software
	DKK
Cost at 1 January	19,980,030
Additions for the year	317,883
Cost at 31 December	20,297,913
Impairment losses & amortisation at 1 January	(19,980,030)
Impairment losses & amortisation for the year	-
Impairment losses & amortisation at 31 December	(19,980,030)
Carrying amount at 31 December	**317,883**

Parent 2019	Software
	DKK
Cost at 1 January	8,598,239
Additions for the year	11,381,791
Cost at 31 December	19,980,030
Impairment losses and amortisation at 1 January	(2,599,488)
Impairment losses for the year	(17,380,542)
Impairment losses and amortisation at 31 December	(19,980,030)
Carrying amount at 31 December	-

11. Property, plant and equipment

Group 2020

	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress	Total
	DKK	DKK	DKK	DKK	DKK
Cost at 1 January	1,250,000	10,610,502	7,848,857	-	19,709,359
Additions for the year	-	1,416,535	232,178	-	1,648,713
Movements due to currency	-	61,820	-	-	61,820
Cost at 31 December	1,250,000	12,088,857	8,081,035	-	21,419,892
Impairment losses and depreciation at 1 January	(14,593)	(5,551,505)	(1,278,015)	-	(6,844,113)
Depreciation for the year	(24,990)	(1,113,326)	(1,641,863)	-	(2,780,179)
Movements due to currency	-	(26,269)	-	-	(26,269)
Impairment losses and depreciation at 31 December	(39,583)	(6,691,100)	(2,919,879)	-	(9,650,562)
Carrying amount at 31 December	**1,210,417**	**5,397,757**	**5,161,157**	**-**	**11,769,331**

Group 2019

	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress	Total
	DKK	DKK	DKK	DKK	DKK
Cost at 1 January	-	5,919,742	361,213	483,040	6,763,995
Additions for the year	1,250,000	4,646,621	7,487,644	1,600,921	14,985,187
Transfers	-	-	-	(2,083,961)	(2,083,961)
Movements due to currency	-	44,139	-	-	44,139
Cost at 31 December	1,250,000	10,610,502	7,848,857	-	19,709,359
Impairment losses and depreciation at 1 January	-	(3,767,382)	(140,856)	(914)	(3,909,152)
Depreciation for the year	(14,593)	(1,776,606)	(1,137,159)		(2,928,358)
Movements due to currency	-	(7,517)	-	914	(6,603)
Impairment losses and depreciation at 31 December	(14,593)	(5,551,505)	(1,278,015)	-	(6,844,113)
Carrying amount at 31 December	**1,235,417**	**5,058,997**	**6,570,842**	**-**	**12,865,246**

Parent 2020	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
	DKK	DKK	DKK	DKK
Cost at 1 January	1,250,000	2,816,134	7,848,857	11,914,991
Additions for the year	-	-	232,178	232,178
Cost at 31 December	1,250,000	2,816,134	8,081,035	12,147,168
Impairment losses and depreciation at 1 January	(14,583)	(2,759,626)	(1,278,015)	(4,052,225)
Depreciation for the year	(25,000)	(56,507)	(1,641,863)	(1,723,370)
Impairment losses and depreciation at 31 December	(39,583)	(2,816,133)	(2,919,879)	(5,775,595)
Carrying amount at 31 December	**1,210,417**	**-**	**5,161,156**	**6,371,573**

Parent 2019	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
	DKK	DKK	DKK	DKK
Cost at 1 January	-	2,816,134	361,213	3,177,347
Additions for the year	1,250,000	-	7,487,644	8,737,644
Cost at 31 December	1,250,000	2,816,134	7,848,857	11,914,991
Impairment losses and depreciation at 1 January	-	(2,675,920)	(140,856)	(2,816,776)
Depreciation for the year	(14,583)	(83,707)	(1,137,159)	(1,235,449)
Impairment losses and depreciation at 31 December	(14,583)	(2,759,627)	(1,278,015)	(4,052,225)
Carrying amount at 31 December	**1,235,417**	**56,507**	**6,570,842**	**7,862,766**

12. Leases

The Group has entered leases on land, properties, cars and equipment. The remaining lease period for land and buildings is mainly 3 years and is related to offices and residential premises in Denmark, Sweden and Finland. The non-cancellable lease period for cars is typically between 12 and 48 months. In general car leases do not include any extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

The Group has recognized the following amounts relating to leases:

	Right of use buildings	Right of use other fixtures and fittings, tools and equipment	Total
	DKK	DKK	DKK
Cost			
At 1 January 2019	13,473,490	2,863,761	16,337,251
Additions	50,997,095	726,461	51,723,556
Exchange differences	34,586	(35,806)	(1,220)
At 31 December 2019	64,505,171	3,554,416	68,059,587
Additions	2,438,168	1,560,560	3,998,728
Transfers & Amendments	1,251,375	(275,415)	975,960
Disposals	-	(1,986,552)	(1,986,552)
Exchange differences	554,943	50,689	605,632
At 31 December 2020	**68,749,657**	**2,903,698**	**71,653,355**
Depreciation			
At 1 January 2019	-	-	-
Depreciation charge for the year	(9,984,641)	(935,287)	(10,919,928)
Exchange differences	5,706	(7,354)	(1,648)
At 31 December 2019	(9,978,935)	(942,641)	(10,921,576)
Depreciation charge for the year	(12,227,230)	(659,646)	(12,886,876)
Impairment & Amendments	392,238	10,334	402,572
Disposals	-	495,308	495,308
Exchange differences	(358,511)	(8,008)	(366,519)
At 31 December 2020	**(22,172,438)**	**(1,104,653)**	**(23,277,091)**
Carrying amount at 31 December 2019	**54,526,236**	**2,611,775**	**57,138,011**
Carrying amount at 31 December 2020	**46,577,219**	**1,799,045**	**48,376,264**

The carrying amounts of lease liabilities and the movement during the period is as follows:

	Lease liabilities
	DKK
At 1 January 2019	16,337,251
Additions - new leases	51,375,459
Repayment of lease debt	(12,042,089)
Interest accretion	1,126,329
Exchange	336,305
At 31 December 2019	**57,133,255**
Additions - new leases	3,998,729
Disposals	(1,536,660)
Amendments	823,531
Repayment of lease debt	(13,223,274)
Interest Accretion	1,453,766
Exchange	348,028
At 31 December 2020	**48,997,375**
Short term at 31 December 2019	17,736,450
Long term at 31 December 2019	39,396,805
Short term at 31 December 2020	12,820,118
Long term at 31 December 2020	36,177,258

13. Assets classified as held for distribution / sale

As of 31 December 2020, assets classified as held for distribution amount to DKK 0 (2019: DKK 6,492k). As of 31 December 2020, liabilities classified as held for sale amount to DKK 0 (2019: DKK 17k). Assets classified as held for distribution in 2019 related to the then expected distribution of Nordic Investment Opportunities Holding ApS. The entity was distributed in full in 2020.

	Group	
	2020	2019
	DKK	DKK
Assets		
Investments in associates	-	5,616,505
Receivables	-	9,969
Cash at bank and in hand	-	865,128
Assets classified as held for distribution/sale	**-**	**6,491,602**
Liabilities		
Other payables	-	17,494
	-	17,494
Liabilities directly associated to non-current assets classified as held for distribution/sale	**-**	**17,494**

The results associated with the assets classified as held for distribution / sale is DKK 18m in 2020 (2019: DKK 0m) and the sale price was settled as distribution.

14. Investments in subsidiaries

	Parent 2020	Parent 2019
	DKK	DKK
Cost at 1 January	33,617,196	24,139,887
Additions for the year	6,294,064	9,800,985
Disposal for the year	(6,718,460)	(323,676)
Transfers for the year	(20,000)	-
Cost at 31 December	33,172,801	33,617,196
Value adjustments at 1 January	13,862,265	27,754,448
Exchange adjustment	3,437,038	(974,468)
Net profit/loss for the year	66.179.225	(12,168,119)
Disposals during the year	1,243,096	-
Dividend to the Parent Company	(16,207,306)	(749,596)
Value adjustments at 31 December	68.514.318	13,862,265
Equity investments with negative net asset value amortised over receivables	1,655,959	1,120,893
Carrying amount at 31 December	**103.343.078**	**48,600,354**

DKK 456k of the additions for the year are capital injections in newly registered entities. The remaining portion of DKK 5,607k relates to capital injections in existing entities. As the additions do not constitute business combinations further disclosure are not given. Value adjustments of parent's investments in subsidiaries have been adjusted for as part of the consolidation of the NREP A/S Group.

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital 2020	Share capital 2019	Votes and ownership 2020	Votes and ownership 2019
NREP AB	Stockholm, Sweden	SEK 100,000	SEK 100,000	100%	100%
NREP Oy	Helsinki, Finland	EUR 2,500	EUR 2,500	50%	50%
NREP AS	Oslo, Norway	NOK 100,800	NOK 100,800	100%	100%
Nordic Strategies Fund II GP S.a.r.l	Luxembourg	EUR 12,500	EUR 12,500	100%	100%
NREP LPF MLP S.á.r.l	Luxembourg	EUR 12,000	EUR 12,000	100%	100%
NREP Nordic Strategies Fund III GP S.a.r.l	Luxembourg	EUR 12,000	EUR 12,000	100%	100%
NREP LPF GP S.á.r.l	Luxembourg	EUR 12,000	EUR 12,000	100%	100%
Noli Studios Finland Oy	Helsinki, Finland	EUR 2,500	EUR 2,500	100%	100%
UMEUS ManCo ApS	Nordhavn, Denmark	DKK 50,001	DKK 50,001	100%	100%
Noli Studios Finland Staff Pool Oy	Helsinki, Finland	EUR 2,500	EUR 2,500	100%	100%
NREP Ventures Co 2 AS	Oslo, Norway	NOK 30,000	DKK 50,001	100%	100%
NREP Management Company S.à.r.l.	Luxembourg	EUR 125,000	EUR 125,000	100%	100%
NREP Komplementarselskab ApS in liquidation	Nordhavn, Denmark	DKK 80,000	DKK 80,000	100%	100%
Komp. NREP Copenhagen Resi. Fund 1 ApS	Nordhavn, Denmark	DKK 80,000	DKK 80,000	100%	100%
NREP InvestCo 65 AB	Stockholm, Sweden	EUR 6,500	EUR 6,500	62%	61%
Woods Office OpCo ApS	Nordhavn, Denmark	DKK 650,000	DKK 650,000	100%	100%
Den Studios Denmark ApS	Nordhavn, Denmark	DKK 50,001	DKK 50,001	100%	100%
NREP Nordic Strategies Fund IV GP S.à.r.l	Luxembourg	EUR 12,000	EUR 12,000	100%	100%
NREP Domus S.à r.l.	Luxembourg	EUR 12,000	-	100%	0%
NNSF IV IP CIV GP ApS	Nordhavn, Denmark	DKK 40,000	-	100%	0%
Komplementarselskabet NREP NSF IV Investment ApS	Nordhavn, Denmark	DKK 40,000	-	100%	0%
Komplementarselskabet NREP Income+ Investment ApS	Nordhavn, Denmark	DKK 40,000	-	100%	0%

NREP NSF IV Investment AB	Stockholm, Sweden	EUR 6,500	-	100%	0%
NREP Income+ Investment AB	Stockholm, Sweden	EUR 6,500	-	100%	0%
NREP Income+ Investment K/S	Nordhavn, Denmark	DKK 0	-	100%	0%
NREP NSF IV Investment K/S	Nordhavn, Denmark	DKK 0	-	100%	0%
NREP Income+ Fund GP S.à r.l.	Luxembourg	EUR 20,000	-	100%	0%
2150 Carboncure AB	Stockholm, Sweden	EUR 2,491	-	100%	0%
NREP Corporation UK Limited	London, England	GBP 1	GBP 1	100%	100%
NREP Administration AB	Stockholm, Sweden	-	EUR 6,500	-	100%
NREP-TF ApS	Nordhavn, Denmark	DKK 40,000	-	50%	-
NREP Income+ Fund RE GP S.à.r.l.	Luxembourg	EUR 12,000	-	100%	-
2150 ApS	Denmark	DKK 40,000	-	100%	-

15. Investments in Joint Ventures

	Parent	
	2020	2019
	DKK	DKK
Cost at 1 January	-	-
Additions	6,270,000	
Transfers for the year	1,025,000	-
Cost at 31 December	7,295,000	-
Value adjustments at 1 January	-	-
Net profit/loss for the year	(4,357,578)	-
Value adjustments at 31 December	(4,357,578)	-
Equity investments with negative net asset value amortised over receivables	-	-
Carrying amount at 31 December	**2,937,422**	**-**

Investments in Joint Ventures were presented together with Investments in Associates in 2019 reporting. Investments in Joint Ventures for 2020 are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
NREP-TF ApS	Nordhavn, Denmark	DKK 40,000	50%
Plushusene Management ApS	Horsens, Denmark	DKK 1,000,000	50%

16. Investments in associates

	Group		Parent	
	2020	2019	2020	2019
	DKK	DKK	DKK	DKK
Cost at 1 January	41,548,263	36,988,673	5,235,186	4,235,186
Exchange adjustment	227,798	-	-	-
Additions for the year	5,919,326	1,000,000	5,874,696	1,000,000
Disposals for the year	-	(92,689)	-	-
Transfers for the year	2,578,637	3,504,456	2,560,537	-
Other adjustments	(7,810,429)	147,823	-	-
Cost at 31 December	42,463,595	41,548,263	13,670,419	5,235,186
Value adjustments at 1 January	51,478,486	44,491,606	-	-
Exchange adjustment	410,972	(328,886)	-	-
Share of result NREP managed funds net of payments	16,481,355	16,803,919	-	-
Share of result other	5,867,353	(3,871,837)	-	-
Dividends	(60,159,063)	-	2,203,062	-
Other adjustments	7,700,125	(5,616,316)	-	-
Value adjustments at 31 December	21,779,228	51,478,486	2,203,062	-
Carrying amount at 31 December	**64,242,823**	**93,026,749**	**15,873,481**	**5,235,186**

Investments in Associated included Investments in Joint Ventures in 2019 reporting. 2019 figures have been restated to exclude Joint Ventures. Investments in associates for 2020 and 2019 are specified as follows:

Name	Place of registered office	Share capital		Votes and ownership	
Investment in NREP Fund		2020	2019	2020	2019
NREP InvestCo 3 AB	Sweden	SEK 100,000	SEK 100,000	23%	23%
NREP InvestCo 28 AB	Sweden	SEK 50,000	SEK 50,000	32%	32%
NREP InvestCo 7 AB	Sweden	-	EUR 6.000	-	24%
NREP InvestCo 15 AB	Sweden	EUR 6,500	EUR 6,500	39%	40%
NREP InvestCo 31 AB	Sweden	SEK 50,000	SEK 50,000	43%	43%
NREP InvestCo 50 AB	Sweden	EUR 6,500	EUR 6,500	24%	24%
NREP InvestCo 14 AB	Sweden	EUR 6,500	EUR 6,500	36%	36%
NREP NSF III InvestCo 94 AS	Norway	NOK 35,548	NOK 35,548	29%	29%
NREP InvestCo 44 AS	Norway	NOK 99,425	NOK 99,425	22%	22%
NREP NSF III InvestCo 84 AB	Sweden	EUR 6,500	EUR 6,500	25%	25%
NREP InvestCo 95 AB	Sweden	EUR 17,333	EUR 17,333	33%	33%
NREP InvestCo 63 AB	Sweden	EUR 6,500	-	30%	0%
NREP Co-Investment Nordhavn K/S	Denmark	DKK 12,000,000	-	48%	0%
Komp. NREP Co-Investment Nordhavn ApS	Denmark	DKK 60,000	-	48%	0%
Ejendomsselskabet Hellebro A/S	Denmark	DKK 17,500,000	-	20%	0%
Investments in other					
Lendager Group ApS	Denmark	DKK 103,342	DKK 98,175	45%	45%

17. Other financial assets

2020	Group		Parent		
	Other non-current investments	Other non-current receivables	Non-current receivables from group enterprises	Other non-current investments	Other non-current receivables
	DKK	DKK	DKK	DKK	DKK
Cost at 1 January	32,945,896	6,877,425	7,412,205	14,356,429	1,846,211
Exchange adjustments	215,202	180,022	-		-
Additions for the year	78,883,409	615,607	28,270,575	725,583	396,024
Disposals for the year	(2,651,466)	(2,419,137)	(4,084,479)	(1,039,017)	(160)
Other adjustments	(3,603,637)	(666,229)	-	(3,585,537)	-
Transfer for the year	(41,371)	-	-	-	-
Cost at 31 December	105,748,033	4,587,688	31,598,301	10,457,458	2,242,075
Value adjustments at 1 January	47,686,102	-	-	-	-
Exchange adjustment	(774,227)	-	-	-	-
Fair value adjustment, NREP managed funds net of payments	49,708,655	-	-	-	-
Fair value adjustment other	(2,915,542)				
Dividends	(25,256,227)	-	-	-	-
Other adjustments	(2,913,791)	-	-	-	-
Value adjustments at 31 December	65,534,969	-	-	-	-
Impairment at 1 January	(327,624)	-	1,120,892	639,414	-
Exchange adjustment	327,624	-	-	-	-
Impairment losses for the year	-	-	638,987	7,239,022	-
Impairment losses released in connection with disposals	-	-	-	-	-
Impairment at 31 December	-	-	1,759,879	7,878,436	-
Carrying amount at 31 December	**171,283,002**	**4,587,688**	**29,838,422**	**2,579,022**	**2,242,075**

2019	Group		Parent		
	Other non-current investments	Other non-current receivables	Non-current receivables from group enterprises	Other non-current investments	Other non-current receivables
	DKK	DKK	DKK	DKK	DKK
Cost at 1 January	33,528,857	3,038,018	11,221,113	15,173,219	2,734,916
Additions for the year	5,096,377	4,952,427	12,437,679	1,335,311	604,436
Disposals for the year	(2,174,882)	(1,113,020)	(16,441,126)	(2,152,101)	(1,493,141)
Other adjustments	-	-	194,539	-	-
Transfer for the year	(3,504,456)	-	-	-	-
Cost at 31 December	32,945,896	6,877,425	7,412,205	14,356,429	1,846,211
Value adjustments at 1 January	3,733,490	-	-	-	-
Carried interest NREP managed funds	46,215,659	-	-	-	-
Fair value adjustment	(2,263,047)	-	-	-	-
Value adjustments at at 31 December	47,686,102	-	-	-	-
Impairment at 1 January	(53,617)	-	4,502,445	1,372,123	-
Exchange adjustment	(274,007)	-	-	(9,156)	-
Impairment losses for the year	-	-	(3,381,553)	-	-
Impairment losses released in connection with disposals	-	-	-	(723,553)	-
Impairment at 31 December	(327,624)	-	1,120,892	639,414	-
Carrying amount at 31 December	**80,304,374**	**6,877,425**	**6,291,313**	**13,717,015**	**1,846,211**

Other non-current investments represent investments that do not meet the definition of associates, joint ventures, or subsidiaries. These investments are accounted for at fair value through profit and loss.

18. Receivables

	Group		Parent	
	2020	2019	2020	2019
	DKK	DKK	DKK	DKK
Trade receivables	65,581,704	38,519,564	35,705,584	16,577,031
Receivables from affiliated companies	-	199,089	101,419,877	51,015,546
Other receivables	42,431,134	24,178,419	27,805,930	12,809,554
Income tax receivable	482,938	4,940,580	-	-
Total receivables	**108,495,776**	**67,837,652**	**164,931,391**	**80,402,131**

Trade receivables
Allocation of net trade receivables by maturity period are as follows:

	Group		Parent	
	2020	2019	2020	2019
	DKK	DKK	DKK	DKK
Up to 30 days	32,387,264	33,612,772	14,510,455	12,397,744
Between 31 and 90 days	16,000,719	2,068,401	7,088,665	1,750,675
Between 91 and 365 days	17,193,722	2,838,390	14,106,465	2,428,612
Net receivables at 31 December	**65,581,704**	**38,519,564**	**35,705,584**	**16,577,031**

The expected credit loss is based on a provision matrix, which considers the Groups historic credit losses combined with forward looking information that is expected to affect the loss rates. The Group has no history of significant credit losses on receivables. Due to the substance in and the agreements for receivables combined with the historic low credit loss rate, the expected credit loss on rent and services charge receivables is immaterial.

Receivables are written off when they are assed as uncollectible.

Trade receivables in 2020 were primarily related to asset management fees charged from NREP A/S Group to NREP fund assets and fund limited partners. The increase in trade receivables between 2019 and 2020 was driven by both increased asset management fees and 2019 balances not settled.

Other current receivables
Other current receivables consist of receivables from employees, affiliated companies and accrued rental income.

The Group considers that the carrying amount of trade and other receivables approximate their fair value. There is no concentration of credit risk with respect to specific receivables.

19. Prepayments

The prepayments relate to consultancy fee in for the funding of NREP Group managed funds.

20. Share base payment

As per 31 December 2020, the Group has one outstanding share-based incentive plan.

Description of the plan

At the general assembly of 10. August 2020, NREP has approved the implementation of a warrant program for certain partners and employees of the NREP as well as the issuance of 18,076 warrants. The warrants to which the participants subscribe do not carry a right to vote, receive dividends or any other rights associated to a shareholder.

On 10. August 2020 18,076 warrants were granted. The key features of the warrants granted under the plan are as follows:

- Each participant may subscribe a number of warrants against a cash payment of DKK 88.61 per warrant. The price of DKK 88.61 is assumed to be the fair value of the warrant at grant date.
- Issued warrants vest equally in four tranches, being 1 January 2021, 1 January 2022, 1 January 2023 and 1 January 2024 (final date of vesting).
- If the participant exists NREP prior to the final date of vesting, any unvested warrants will lapse without further notice or compensation.
- At exercise, each warrant may be converted into 1 share in NREP with a nominal value of DKK 1 against a cash payment of DKK 1,108, irrespectively of the time of vesting or exercise.
- The warrants may be exercise in a period of thirty days from the relevant date of vesting (1 January 2021/2022/2023/2024), although any unvested warrants shall be vested no later than three months from the final date of vesting (1 January 2024).

18,076 warrants are still outstanding as of December 31, 2020.

Accounting for Share-Based Payment

The warrants are issued in addition to the normal renumeration of the employee and constitute an incentive for the partners and employees to remain in the employment of NREP. A direct measurement of the services by the participants is measured at the fair value of the warrants granted. The partners and employee pay DKK 88.61 per warrant and this value represent the fair value of the warrants at grant date. Therefore, there is no specific fair value gain given to the employees at grant date and by that no cost to recognise.

Movements during the year (in unit):

	Group	
	Number of option (in units)	Weighted average exercise price in DKK per warrant
Outstanding 1 January 2019	-	-
Granted during 2019	-	-
Forfeited during 2019	-	-
Exercised during 2019	-	-
Expired during 2019	-	-
Outstanding 31/12/19	-	-
Granted during 2020	18,076	1,108
Forfeited during 2020	-	-
Exercised during 2020	-	-
Expired during 2020	-	-
Outstanding 31 December 2020	18,076	1,108

The table hereunder details the number of exercisable (vested) warrants and their weighted average exercised price:

	2020	2019
Number of exercisable (vested) warrants	-	-
Weighted average exercised price	-	-

The weighted average remaining contractual life for the warrants outstanding as of 31 December 2020 is 4 years (0 years in 2019).

The weighted average fair value of warrants granted during the year was DKK 20,020,479 in 2020 and 0 in 2019.

Year ended December 31, 2020	Plan 2020
Number of warrants granted	18,076
Weighted average fair values at the measurement date per warrant (DKK)*	1,108
Dividend yield	4.0%
Risk–free interest rate	0.0%
Expected life of warrants (years)	4
Weighted average share price (EUR) per share	148.50
Exercise price (EUR)	148.50

*DKK equivalent of EUR 148.0 has been based on EUR/DKK rate of 7.4584 (30. April 2020)

Market price per share is based on the actual share transaction with third party in August 2020. No volatility has been established on future equity.

The warrants have been purchased at fair value, why no expense has been recognised in staff costs regarding the incentive program.

21. Share capital

Dividends

The Board of Directors has not proposed dividend for 2020 (2019: DKK 0).

Capital management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The capital as defined by management on 31 December 2020 and 2019 consists of total equity of the Group plus net debt of the Group, as shown on the face of the consolidated balance sheet.

Capital increase

On August 27th 2020 the company increased its share capital by 359,094 shares for a total consideration received of 392m DKK

The share capital has developed as follows:

	2020	2019	2018	2017	2016
	DKK	DKK	DKK	DKK	DKK
Share capital at 1 January	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Capital increase	359,094	-	-	-	-
Capital decrease	-	-	-	-	-
Share capital at 31 December	**1,359,094**	**1,000,000**	**1,000,000**	**1,000,000**	**1,000,000**

Number of shares outstanding

	Parent	
	2020	2019
	Shares	Shares
Shares issued at 1 January	1,000,000	1,000,000
Shares issued during the year	359,094	-
Total number of shares ….	**1,359,094**	**1,000,000**
Holding of Treasury shares	-	(4,115)
Total number of outstanding shares at 31 December	**1,359,094**	**995,885**

	Number of shares	Nominal value DKK	% of issued shares
	Shares	Shares	
Treasury shares at 1 January 2019	4,115	4,115	0.4%
Purchased/sold	-	-	-
Treasury shares at 31 December 2019	**4,115**	**4,115**	**0.4%**
Purchased/sold	(4,115)	(4,115)	(0.4%)
Treasury shares at 31 December	**-**	**-**	**-**

In 2020 NREP AB divested shares in NREP Partner Holding ApS. NREP Partner Holding ApS at the time owned shares in NREP A/S. Through the divestment NREP A/S ensured no Treasury shares were held at end of 2020.

22. Proposed distribution of profit, Parent

	Parent	
	2020	2019
	DKK	DKK
Reserve for net revaluation under the equity method	56,855,115	(13,892,183)
Retained earnings	27,599,126	4,713,456
Total	**84,454,241**	**(9,178,726)**

23. Trade payables

Trade payables are non-interest bearing and are normally settled on 60-day terms.

24. Financial assets and liabilities

i. Interest-bearing loans and borrowings

	Group		Parent	
	2020	2019	2020	2019
	DKK	DKK	DKK	DKK
Long-term part	-	-	-	-
Short-term part	44,860,694	47,739,177	43,387,778	47,658,935
Carrying amount at 31 December	**44,860,694**	**47,739,177**	**43,387,778**	**47,658,935**

As of December 31, 2020, the group has borrowing facilities available. The undrawn borrowing facilities available on 31 December 2020 amounted to DKK 37.5 million (2019 – DKK 19.5 million). Uncommitted bank borrowing facilities are normally reaffirmed by the bank annually, although they can theoretically be withdrawn at any time.

ii. Other payable

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:

	Group		Parent	
	2020	2019	2020	2019
	DKK	DKK	DKK	DKK
Between 1 and 5 years	14,493,360	17,228,454	-	3,745,817
Long-term part	14,493,360	17,228,454	-	3,745,817
Other short-term payables	124,170,824	81,424,453	52,592,496	25,921,679
Short-term part	124,170,824	81,424,453	52,592,496	25,921,679
Carrying amount at 31 December	**138,664,185**	**98,652,907**	**52,592,496**	**29,667,496**

Short-term other payables consist of cost related to staff, such as vacation pay, social security, pension contribution and bonus. The increase between 2019 and 2020 was a result of increased number of employees in NREP A/S Group.

iii. Movements

The movements of financial liabilities are as follows:

	2020			
	DKK			
Group	Beginning of year	Cash flows	Non-cash changes	End of year
Current borrowings	47,739,175	(2,878,481)	-	44,860,694
Total	**47,739,175**	**(2,878,481)**	**-**	**44,860,694**

	2019			
	DKK			
Group	Beginning of year	Cash flows	Non-cash changes	End of year
Non-current borrowings - disclosed as liabilities associated with asset held for sale / distribution	13,423,511	(13,423,511)	-	-
Current borrowings	27,779,652	19,959,523	-	47,739,177
Current borrowings - disclosed as liabilities associated with assets held for sale / distribution	790,977	(790,977)	-	-
Payables to group enterprises	547,404	(746,493)	199,089	-
Financial leases	-	(11,010,309)	68,143,564	57,133,255
Total	**42,541,544**	**(6,011,767)**	**68,342,653**	**104,872,430**

iv. Fair value

The Group measures the fair value of its financial assets and financial liabilities using a fair value hierarchy. A financial instrument's classification within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Three levels of inputs may be used to measure fair value. The different levels of the fair value hierarchy are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observables for the asset or liability, either directly or indirectly; and

Level 3: Unobservable inputs for the asset or liability

The following is a comparison, by class, of the carrying amounts and fair values of the financial assets and liabilities, other than those with carrying amounts that are reasonable approximation of fair value:

Both for Group and the Parent, management assessed that the fair value of cash and cash equivalents, trade accounts receivable, trade accounts payable, accrued compensation and benefits, and other accruals approximate their respective carrying values due to their short-term maturities.

The fair values of the Group's interest-bearing loan are determined by using the DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. Their fair values are the same as the carrying amounts.

The other non-current investments and the carried interest portion of the associates are measured at fair value through the consolidated statement of comprehensive income.

	Group			
	2020	2020	2019	2019
	DKK	DKK	DKK	DKK
	Carrying amount	Fair value	Carrying amount	Fair value
Loans and receivables at amortised cost				
Trade receivables	65,581,704	65,581,704	38,519,564	38,519,564
Other current and non-current receivables	47,501,760	47,501,760	35,996,423	35,996,423
Current and non-current receivables from group enterprises	-	-	199,089	199,089
Cash and cash equivalents	505,459,251	505,459,251	62,738,005	62,738,005
Financial assets at fair value through profit/loss				
Associates	64,242,823	64,242,823	93,026,749	93,026,749
Other non-current investments	171,283,002	171,283,002	80,304,374	80,304,374
Financial assets	**854,068,539**	**854,068,539**	**310,784,204**	**310,784,204**
Carried at amortised cost				
Credit institutions	44,860,694	44,860,694	47,739,177	47,739,177
Trade payables	43,019,499	43,019,499	7,978,484	7,978,484
Other payables	124,170,824	124,170,824	81,424,453	81,424,453
Provisions	19,131,900	19,131,900	-	-
Financial liabilities	**231,182,917**	**231,182,917**	**137,142,114**	**137,142,114**

	Parent			
	2020	2020	2019	2019
	DKK Carrying amount	DKK Fair value	DKK Carrying amount	DKK Fair value
Loans and receivables at amortised cost				
Trade receivables	35,705,584	35,705,584	16,577,031	16,577,031
Other current and non-current receivables	30,048,006	30,048,006	14,655,765	14,655,765
Current and non-current receivables from group enterprises	131,258,300	131,258,300	55,337,177	55,337,177
Cash and cash equivalents	449,923,928	449,923,928	9,237,743	9,237,743
Financial assets at fair value through profit/loss				
Associates	15,873,481	15,873,481	5,235,186	5,235,186
Other non-current investments	2,579,022	2,579,022	13,717,015	13,717,015
Financial assets	**665,388,321**	**665,388,321**	**116,729,599**	**116,729,599**
Carried at amortised cost				
Interest bearing loans and borrowings	43,387,778	43,387,778	47,658,935	47,658,935
Trade payables	36,419,774	36,419,774	3,520,228	3,520,228
Other payables	52,592,496	52,592,496	29,667,496	29,667,496
Payables to group enterprises	136,374,707	136,374,707	39,638,537	39,638,537
Financial liabilities	**268,774,755**	**268,774,755**	**120,485,197**	**120,485,197**

	Quoted prices (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	DKK	DKK	DKK	DKK
Other non-current investments and associates (with shares or underlying shares measures at fair value)	-	-	235,525,825	235,525,825
Carrying amount 31 December 2020	**-**	**-**	**235,525,825**	**235,525,825**
Other non-current investments and associates (with shares or underlying shares measures at fair value)	-	-	173,331,124	173,331,124
Carrying amount 31 December 2019	**-**	**-**	**173,331,124**	**173,331,124**

The following table presents the change in level 3 items for the years ended 31 December 2020 and 31 December 2019:

	2020	2019
	DKK	DKK
Opening at 1 January 2019	173,331,124	118,689,009
Additions associates related to NREP managed funds	5,919,326	1,000,000
Transfers and other adjustments associates related to NREP managed funds	3,107,103	(2,385,612)
Income from investments in associates related to NREP managed funds	16,481,355	16,803,919
Income from investments in other associates	5,867,353	(3,871,837)
Dividends from investments in associates related to NREP managed funds	(60,159,063)	-
Additions investments related to NREP managed funds	78,883,409	5,096,377
Transfers and other adjustments investments related to NREP managed funds	(9,441,667)	(5,679,338)
Income from investments in other investments related to NREP managed funds	49,708,655	46,215,659
Income from investments in other investments	(2,915,542)	(2,537,054)
Dividends from investments in associates related to NREP managed funds	(25,256,227)	-
Closing balance 31 December	**235,525,825**	**173,331,124**

25. Financial risk management

The Group is subject to the following markets risks:

- Market risks
- Foreign exchange risks
- Interest rate risk
- Liquidity risk
- Credit risk

The Group regularly defines, monitors, and manages its external risks (including foreign exchange risk, credit risk, investment risk, liquidity risk, reputation risk et. al.) to align with the risk appetite of its stakeholders.

The valuation of NREP's co-investments in NREP managed funds is inherently linked to the valuation of real estate properties in the fund portfolios. The value of investment property is subject to market conditions and is estimated with some degree of uncertainty. All real estate properties have been valued by independent external valuers.

i. Market risks

Management fees received from funds are primarily based on the committed or deployed capital. In Management's assessment, the risk profile of the NREP Group is normal for this Market.

The value assessments of properties held directly or indirectly through equity investments are inherently subject to some degree of uncertainty. In order to limit the risk as much as possible, all relevant properties have been assessed by external valuers, who are external parties independent of the company.

The fair value of the properties has been determined on discounted cash flows using equivalent yields between 3.6% and 8.2% depending on the type and location of the property. These inputs include:

- Future rental cash inflows based on the actual location, type and quality of the properties and supported by the terms of any existing lease, other contracts or external evidence such as current market rents for similar properties.
- Discount rates reflecting current market assessments of the uncertainty in the amount and timing of cash flows.
- Estimated vacancy rates based on current and expected future market conditions after expiry of any current lease.
- Maintenance costs including necessary investments to maintain functionality of the property for its expected useful life.
- Capitalisation rates based on actual location, size and quality of the properties and taking into account market data at the valuation date.
- Terminal value taking into account assumptions regarding maintenance costs, vacancy rates and market rents.

ii. Foreign exchange risks

The Group primarily receives management fees in EUR, whereas the Group's expenses are distributed on DKK, SEK, NOK, and EUR. This implies a risk in respect of exchange fluctuation of which the main part is however covered for operating purposes by matching income and expenses in the same currency.

	2020					
	DKK	EUR	NOK	SEK	GBP	Total
Trade receivables and other receivables	66,274,688	26,924,341	3,272,976	16,011,695	631,142	113,114,843
Investment in other financial assets	105,549,988	25,367,331	42,640	40,323,044	-	171,283,003
Cash and cash equivalents	451,347,707	51,691,471	764,089	1,334,821	321,161	505,459,250
Total Financial assets	**623,172,383**	**103,983,143**	**4,079,706**	**57,669,560**	**952,304**	**789,857,096**
Intangible assets	3,598,567	3,809,032	-	-	-	7,407,599
Property, plant and equipment total	6,371,574	2,816,593	342,135	2,239,029	-	11,769,332
Right-of-use assets	13,151,019	16,698,808	758,384	17,084,649	683,406	48,376,266
Investment in associates and joint ventures	53,404,200	117,890	784,594	12,873,558	-	67,180,241
Deferred tax assets	2,545,171	-	252,428	-	-	2,797,599
Prepayments	2,484,477	400,799	279,862	336,651	1,100,786	4,602,575
Total Non-Financial assets	**81,555,008**	**23,843,122**	**2,417,403**	**32,533,887**	**1,784,192**	**142,133,613**
Total Assets	**704,727,392**	**127,826,266**	**6,497,108**	**90,203,447**	**2,736,496**	**931,990,709**
Credit institutions	43,387,778	15,539	30,069	1,427,308	-	44,860,693
Trade payables and other payables	91,740,154	44,367,483	5,277,496	37,183,239	657,354	179,257,110
Provisions	-	-	-	19,131,900	-	19,131,900
Lease liabilities	14,021,211	16,998,365	773,485	16,514,668	689,647	48,997,376
Total Financial liabilities	**149,149,143**	**61,381,387**	**6,081,049**	**74,257,115**	**1,347,001**	**292,247,079**
Tax liabilities	-2,442	72,997	-	2,387,399	-	2,457,953
Total Non-Financial liabilities	**-2,442**	**72,997**	**-**	**2,387,399**	**-**	**2,457,953**
Total liabilities	**149,146,701**	**61,454,383**	**6,081,049**	**76,644,514**	**1,347,001**	**294,705,032**
Net currency position	**555,580,691**	**66,371,882**	**416,059**	**13,558,933**	**1,389,495**	**637,285,677**

iii. Interest rate risks

NREP A/S and affiliated companies have little exposure to interest rate risk as external financing is limited to a working capital facility with a variable interest of +2.5% of BOR.

The NREP group might be indirectly exposed to interest rate risk through the Funds' performance. Funds have a dedicated policy for their own interest rate risk exposures.

The Fund's interest rate risks principally arise from long-term and short-term borrowings. Borrowings issued at variable rates expose the Funds to cash flow interest rate risk. To manage this, the Funds have entered into interest rate swaps and interest rate caps. For the interest rate swaps the Funds agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed upon notional principal amount. Interest rate caps cap the floating interest at a specific rate.

iv. Liquidity risk

The Group manages its liquidity risk by monitoring the changes in working capital and by ensuring adequate funding. Based on the Group's cash management principle, the Group's cash is accumulated in dedicated bank accounts. Risk analysis and designing of risk management plans are conducted at the top management level. The Group's liquidity risk policy is based on a conservative approach, whose main objective is to secure the safeguarding of the cash flows generated from the operations to ensure sufficient liquidity enabling timely settlement of the liabilities undertaken.

At 31 December 2020 the Group has a committed undrawn borrowing facility of DKK 37,500k (EUR 5,000k) that may be available for future operating activities and to settle capital commitments. The table below analyses the financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Group	2020			
As at 31 December	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
	DKK	DKK	DKK	DKK
Leases	12,820,120	26,634,302	9,542,956	**48,997,378**
Credit institutions	44,860,694	-	-	**44,860,694**
Other payables	124,170,824	14,493,360	-	**138,664,185**
Trade payables	43,019,499	-	-	**43,019,499**
	224,871,137	**24,036,316**	**26,634,302**	**275,541,755**

	2019			
As at 31 December				
Leases	18,783,775	31,882,757	14,003,312	**64,669,844**
Credit institutions	48,932,656	-	-	**48,932,656**
Other payables	94,790,212	17,228,454	-	**112,018,666**
Trade payables	7,978,484	-	-	**7,978,484**
	170,485,127	**49,111,211**	**14,003,312**	**233,599,650**

v. Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group has no significant concentrations of credit risk.

Credit risk arises from cash and cash equivalents held at banks, trade receivables and other receivables. Credit risk is managed on a group basis. The Group does not monitor the credit quality of trade and other receivables on an ongoing basis. Cash balances are held only with financial institutions with a Moody's or Fitch credit rating of Aa3 or above, except in cases where amounts are immaterial.

Credit risk arises principally from other receivable, trade receivables and cash and cash equivalents.

NREP A/S monitors credit risk of any Financial Counterparty on an annual basis and performs initial financial due diligence.

The Group's maximum exposure to credit risk by class of financial asset is as follows:

	Group	
	2020	2019
	DKK	DKK
Trade receivables	65,581,704	38,519,564
Other receivables	42,431,134	24,178,419
Other non-current receivables	4,587,688	6,877,425
Cash and Cash Equivalents	505,459,251	62,738,005

Cash and cash equivalents and deposits were placed with financial institutions whose ratings are as follows:

			Group	
			2020	2019
			'000 DKK	'000 DKK
Financial Institution	*Rating Agency*	*Rating*		
BBH *	Fitch	A+	44,595	33,015
Danske Bank	Moody's	A1	455,786	27,972
Nordea Bank	Moody's	Aa3	4,016	2,616
Other banks	Moody's/Fitch	-	1,243	-
Cash at bank and in hand classified as held for sale / distribution (Note 13)			-	(865)
			505,459	**62,738**

* Acting as an intermediary for HSBC, Nordea Bank Denmark and Nordea Bank Norway

The ratings for financial institutions with which the Group does business in multiple countries are the same for all locations of that institution.

Further details on the Group's credit risk and the related expected credit loss for rent and service charge receivables and debt investments are included in note 18 respectively.

26. Related parties

	Group	
	2020	2019
The following transactions were carried through with related parties:	DKK	DKK
Transaction with TBL Holding ApS:		
Accounts Receivables	(4,044,928)	-
Accounts Payables	3,613,132	-
Other income	1,841,120	-
Other expenses	(327,860)	(410,810)
Transactions with other related parties:		
Accounts Payables	(24,500)	-
Other expenses	(233,886)	(3,432,383)

The following transactions were carried through with related parties:	Parent 2020 DKK	Parent 2019 DKK
Transactions with other related parties:		
Loans granted/received/repaid	(25,975,986)	-
Subsidiaries	*(27,859,980)*	-
Joint Ventures	-	-
Associates	*321,754*	-
Other	*1,562,240*	-
Accounts Receivables	54,167,971	-
Subsidiaries	*57,072,355*	-
Joint Ventures	*(30,413)*	-
Associates	-	-
Other	*(2,873,972)*	-
Accounts Payables	(43,512,740)	-
Subsidiaries	*(46,860,539)*	-
Joint Ventures	-	-
Associates	*(180,000)*	-
Other	*3,527,799*	-
Interest received	(15,079)	-
Subsidiaries	*(15,079)*	-
Joint Ventures	*0*	-
Associates	-	-
Other	-	-
Interest paid	(2,080,795)	-
Subsidiaries	*(2,080,795)*	-
Joint Ventures	-	-
Associates	-	-
Other	-	-
Other income	222,603,393	-
Subsidiaries	*215,544,045*	-
Joint Ventures	*(1,932,245)*	-
Associates	-	-
Other	*8,991,593*	-
Other expenses	(32,623,410)	(3,843,193)
Subsidiaries	*(31,810,104)*	-
Joint Ventures	*(50,000)*	-
Associates	*(221,000)*	-
Other	*(542,307)*	*(3,843,193)*

For 2020 Annual Report Related Party transactions for Parent Company include transactions with subsidiaries, joint ventures, associates and other. For 2019 reporting Related Party transactions were limited to transactions with external parties.

As regards to the Key Management Compensation reference is made to note 6 staff expenses.

Ownership

The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

- TBL Holding ApS, Southamptongade 4, 2150 Nordhavn
- NREP Partner Holding ApS, Southamptongade 4, 2150 Nordhavn
- NREP Partners Investment ApS, Southamptongade 4, 2150 Nordhavn
- Novo Holding A/S, Tuborg Havnevej 19, 2900 Hellerup

The Company's ultimate parent, TBL Holding ApS, prepares consolidated Financial Statements.

27. Contingent assets, liabilities and other financial obligations

Group

The Group companies are jointly and separately 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 TBL Holding 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 and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

The Group has entered into binding commitments to invest further EUR 7m into NREP Income+ Fund.

The Group has issued a claw-back guarantee for the carried interest paid from the NREP managed funds, which have not been closed.

Parent

The parent company has issued a letter of financial support to UMEUS Manco ApS and issued a guarantee for the subsidiaries, as security toward the bank for the subsidiary's bank exposure.

The parent company has given cross-borders guarantees to the credit institutions which amount to DKK 1,163,635 (SEK 1,569,200).

28. Events after the balance sheet date

Guarantee for the new office in Sweden

The parent company has given cross-borders guarantees to the credit institutions which amount to DKK 1,642,031 (SEK 2,214,333).

The Group have entered into binding commitments to invest EUR 10m into 2150 Urban Tech Sustainability Fund I.

29. Provisions

In December 2020, an unfavourable judgement was handed down against the group in respect of a dispute with the Authorities. However, after taking appropriate consultation Management has decided to appeal against the decision. No payment has been made to the claimant as a result of the unfavourable judgement. The recognised provision reflects Management best estimated likely outcome of the situation.

PENNEO

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"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Henrik Skak Bender
Direktør
På vegne af: NREP A/S
Serienummer: PID:9208-2002-2-582010496837
IP: 176.22.xxx.xxx
2021-06-29 23:22:39Z

Rasmus Nørgaard
Bestyrelsesmedlem
På vegne af: NREP A/S
Serienummer: PID:9208-2002-2-526377862360
IP: 213.32.xxx.xxx
2021-06-30 04:56:39Z

Morten Beck Jørgensen
Bestyrelsesmedlem
På vegne af: NREP A/S
Serienummer: PID:9208-2002-2-313131069732
IP: 80.198.xxx.xxx
2021-06-30 05:04:20Z

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2021-06-30 11:40:44Z

Claus Schei Mathisen
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IP: 80.62.xxx.xxx
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Mikkel Bülow-Lehnsby
Bestyrelsesformand
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2021-06-30 16:29:31Z

RICKARD SVENSSON DAHLBERG
Bestyrelsesmedlem
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Serienummer: 19730604xxxx
IP: 94.234.xxx.xxx
2021-07-01 14:45:31Z

Thomas Wraae Holm
Statsautoriseret revisor
På vegne af: PwC
Serienummer: CVR:33771231-RID:18972118
IP: 83.136.xxx.xxx
2021-07-01 15:00:41Z

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Jacob Fromm Christiansen
Statsautoriseret revisor
På vegne af: PwC
Serienummer: PID:9208-2002-2-280994644017
IP: 80.62.xxx.xxx
2021-07-01 15:59:14Z
NEM ID

Heidi Sperling
Dirigent
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NEM ID

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