Annual Report

For the financial year 1 January - December 31, 2021

NREP A/S
Cvr. nr. 29168709
Southamptongade 4
DK-2150 Nordhavn

The Annual Report was presented and adopted at the Annual General meeting on the 22 June 2022

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 2021.

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 gives a true and fair view of the financial position at 31 December 2021 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 2021.

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, 22 June 2022

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

Independent Auditor's report

To the Shareholders 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 2021 and of the results of the Group's operations and cash flows for the financial year 1 January 2021 to 31 December 2021 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 2021 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2021 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 2021, 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' International 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 and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish 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, 22 June 2022
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: 16th 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 – 5 years

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

	Group				
tDKK	2021	2020	2019	2018	2017
Profit/loss					
Revenue	630,588	525,303	294,662	249,927	168,219
Operating profit/loss	344,390	359,351	197,198	184,676	97,797
Profit/loss before financial income and Expenses	68,459	90,370	35,990	48,179	40,089
Net financials	(5,080)	(11,779)	2,495	(2,996)	(313)
Net profit/loss for the year	82,148	90,152	50,323	33,506	36,180
Balance sheet					
Balance sheet total	1,178,705	931,959	403,089	267,154	158,787
Equity	712,985	637,286	191,568	140,734	49,115
Cash flows					
Cash flows from:					
- Operating activities	(97,336)	173,115	35,093	20,611	(12,800)
- Investing activities	(219,334)	(91,447)	(13,454)	(16,278)	19,019
- Including investment in property, plant and equipment	(6,454)	(1,649)	(12,288)	(858)	(1,792)
- Financing activities	(14,702)	361,053	(6,012)	11,314	(3,385)
Change in cash and cash equivalents for the year	(331,372)	442,721	15,627	15,647	2,835
Average number of employees	385	230	151	121	88
Ratios					
Gross margin	54.6%	68.4%	66.9%	73.9%	58.1%
Profit margin	10.9%	17.2%	12.2%	19.3%	23.8%
Return on assets	5.8%	9.7%	8.9%	18.0%	25.2%
Solvency ratio	60.7%	68.4%	47.5%	52.7%	30.9%
Return on equity	12.2%	21.8%	30.3%	35.3%	88.3%

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 $\dfrac{\text{Gross profit x 100}}{\text{Revenue}}$

Profit margin $\dfrac{\text{Profit before financials x 100}}{\text{Revenue}}$

Return on assets $\dfrac{\text{Profit before financials x 100}}{\text{Total assets}}$

Solvency ratio $\dfrac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$

Return on equity $\dfrac{\text{Net profit for the year x 100}}{\text{Average equity}}$

Management Review

Key activities

NREP is a purpose-driven, values-led urban investor that innovates, develops, operates, and invests, to make real estate better. NREP 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 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 the employees.

The core competence of NREP is its ability to identify, source, assess and execute long-term, value-adding investment strategies in the real estate 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, co-living 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 urban development. In addition to its real estate investments, NREP has product lines focused on Urban Technologies and Credit 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 keeps on pioneering and scaling sustainability solutions that help reduce CO^2 emission. In 2021, NREP committed to lead and accelerate the way towards a carbon neutral sector, pledging to decarbonize NREP's real estate portfolio well ahead of the Intergovernmental Panel on Climate Change's target date of net zero by 2050, and become carbon neutral already by 2028, without use of offsets – encompassing both operational and embodied carbon.

Before upcycling became a trend, NREP created the world's first 100% recycled concrete building – and NREP is currently working on the world's first large-scale real estate project to align to all of UN's 17 Sustainable Development Goals.

NREP also established the largest ever rooftop solar system in the Nordics, and the world's first deep geothermal well saves 95% CO^2 as it heats a large logistics facility of ours.

NREP's goal is to:

- Social – Provide more people more economical and fulfilling ways of living
- Environmental – Decrease carbon and resource footprint
- Economic – Resilient strong long-term value and returns

By the end of 2021, NREP had a total of DKK 104 billion in assets under management and more than 5 million square meters of real estate across the Nordics and is today one of the largest real estate investors in Northern Europe.

Key development in the year

The income statement of the Group for 2021 shows a profit of DKK 82.1 million and at 31 December 2021 the balance sheet of the Group shows equity of DKK 713.0 million compared to a Group profit of DKK 90.2 million in 2020 and an equity of DKK 637.3 million at 31 December 2020.

In many ways 2021 has been a very eventful year for NREP with a number of major milestones achieved. Below are some of the main activities in 2021 in terms of organization, fund raising and larger deals & partner-ships:

- February: NREP launches '2150', a dedicat-ed venture capital fund, to further accelerate a sustainable transition of the built environment
- March: NREP has raised EUR 900 million for its new, semi open-ended fund to invest long-term in middle-income residen-tials, modern logistics facilities and social infrastructure

- May: NREP takes over the management and development of Dades' portfolio, in total 1.1 million sqm worth DKK 25 billion
- May: NREP hires the departing Mayor of Helsinki as Senior Advisor for Urban Development
- June: NREP expands its modern real estate strategies to Poland
- August: NREP appoints tech executive Celia Francis to Board of Directors
- October: Together with Novo Holdings and Industriens Pension NREP acquires part of The Railway District to create one of the world's healthiest urban villages
- October: NREP leading the race to net zero with pledge to fully decarbonize real estate portfolio by 2028
- November: NREP acquires leading German real estate credit specialist business 'Flins Capital Partners'. The agreement adds EUR 1bn to NREP's assets under management
- December: NREP strengthens leadership with new partner promotions, Didde Maria Kristensen and Alfred Eklöf, and addition of Jens Stender (from Egon Zehnder), as new Partner, member of Executive Management and Head of Global Growth

In 2021, 205 new employees joined NREP bringing the total number of employees at end of 2021 to 472, equivalent to 385 FTE.

Follow-up on development expectations from last year

2021, was characterizes by a lot of new investments for NREP as fund raises and the fund management agreement with Dades which provided a positive impact to the result.

Management considers the financial result in line with expectation. Managements fees and other income increased by 20% (DKK 105 million) which is higher than the expected 10-15%. This is mainly due to new funds raised and funds committed investments ended higher than expected.

In 2021, NREP welcomed 205 new employees. The number of employees increased with 43% which is higher than the expected 25-40%. Focus has been 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.

Profit before taxes shows a profit of DKK 52.8 million (2020: profit of DKK 95.8 million). The development is driven by the increased costs partly offset by increased Management fees and higher promote from NREP managed funds.

Targets and expectations for the year ahead

Management expects a higher level of activity during 2022.

Due to continued divestment of assets in 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 2022 is expected to be more than 25% higher than 2021. Additional new fund products are being considered; however, they are likely to launch in late 2022 or beginning of 2023 and will therefore have limited impact on the 2022 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 30-40%. 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 NSF IV.

Hence, the result for the coming year is expected to be higher than in 2021 and in line with the longer-term strategic plans. Management fee and other income are expected to increase in the range of 65-70% in 2022 and profit before taxes from operations (excluding financials and promote) is expected to increase in the range of DKK 70-80 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, PLN, GBP 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. NREP has a dedicated Treasury function which focus on treasury related risk areas.

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 2021 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.

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 the 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.

Corporate Social Responsibility

Environmental conditions

NREP has a policy to take a pioneering role in solving global and local sustainability challenges related to real estate. NREP want to develop better real estate products that enable:

Citizens to live in environmentally sound and healthy houses at all stages of their life. Businesses to run their businesses sustainably by offering environmentally sound and healthy buildings. Environmentally sound and healthy urban development for a prosperous society.

NREP`s policies on environmental, social sustainability and health & safety articulate the NREP's strategic commitment to build a prosperous future and are an integral part of NREP's approach to risk management and value creation.

While buildings and development provide countless benefits to society, they also have significant environmental impacts. For example, approximately 40 % of the total energy, use in the society, can be allocated to the operation of buildings and roughly 40% of global raw material are used in buildings. With nature and natural systems as models to learn, NREP focus on effective energy use, on reusing and recycling resources with greater effectiveness, on advancing natural energy flows and on emphasizing co-existence with nature.

NREP translate the policy into action by striving to ensure that NREP´s assets undergo environmental improvement during the ownership. This also include sustainability assessments in the due diligence process and developing a plan for improvement. In developments and new constructions, the company constantly strive to leap-frog and transform existing practices and processes for better environmental outcomes and to pursue opportunities for increasing provision of natural energy. Risk management related to sustainability is an integrated part of the policy and in all parts of the processes.

NREP`s activities are exposed to various environmental risks including, but not limited to, physical climate risk and transition risk. Physical risks being storms, floods, heavy rain which are some of the most common physical risks in the Nordics. Transition risks are business-related risks that follow societal and economic shifts toward a low-carbon and more climate-friendly future. These risks can include policy and regulatory risks, technological risks, market risks, reputational risks, and legal risks.

NREP`s efforts to contribute to combatting climate change by reducing embodied and operational carbon footprint are highly aligned with NREP's efforts to mitigate such climate change risks.

NREP aspires to achieve a net-zero carbon portfolio by 2028 and we are using several techniques to get there, both during and after the construction phase, for example: design/build properties to reduce embodied emissions, design/retrofit to reduce in-use energy intensity, increase on-site and off-site renewables and procure energy from renewable sources.

During 2021, NREP also stepped up the ambition level and pace of the roof top solar program and installed the largest rooftop solar plant in the Nordics. Therefore, NREP is well on track to reach the cumulative goal of 30 MW by 2025.

For 2021, NREP results and progress of the Environmental conditions are considered satisfactory. In the future, NREP expect continuous to focus on this area and the ambition is to drive net CO_2 emissions to zero already by 2028. NREP is committed to take a leading role in the green transition.

Social and personnel conditions

In order to achieve the NREP's long-term objectives and deliver on its purpose, NREP policy is to build a team of different complementary personalities, skills and backgrounds, that work together in a culture where NREP value the differences. NREP seeks a working environment that enables everyone to unleash their full potential and, at the same time, be treated fairly, equally and respectfully.

NREP translate the policy into action by enforcing a non-discriminatory and fair treatment as a natural principle and value that permeates all business activities. NREP has since inception diligently focused on building a working environment and culture that is characterized by caring, equality, diversity and respect, and that is free from oppression, discrimination, harassment and bullying.

NREP is committed to ensure compliance with local labor legislations and requirements in countries of operation. Employee satisfaction is measured on a continuously basis, on several KPI`s, including, but not limited to: Leadership, Job satisfaction, Personal development, Commitment, Handling of Covid-19.

The built environment has a profound impact on human health and wellbeing, both physically, mentally and socially. By especially focusing on human-centric design, healthy materials, and smart integration and co-existence with nature, NREP aspire to create healthy, supportive, beautiful and diverse communities and environments.

NREP seeks the best possible outcome with the stakeholders and is committed to establishing sustainable relationships to ensure social sustainability of its assets and any development projects. NREP recognizes that, at every stage of development and operation potential, negative effects may occur due to lack of communication and stakeholder engagement. In the short and long terms, good management of communication and relationship with local stakeholders is essential to the business success of the developments and standing assets with potential impacts on local stakeholders.

NREP`s activities are exposed to various social and personnel risks including, but not limited to social risk and health and wellbeing. NREP is assessing this risk along with several of other risks, as an integral part of NREP's process from lead stage and initial screenings through to Due Diligence and eventually Investment Committee. The risk assessments flags identified or potential risks that either requires further investigation or requires a next level screening to de-select the opportunity. Identified risks are, in subsequent steps, investigated in more detail to understand if they can be managed/mitigated in a way that meets NREP's underwriting and ESG requirements.

Throughout 2021, NREP has informed all employees of NREP's Work Environment and Diversity policy at time of onboarding and annually, in order to ensure that NREP meets it's legal obligations as well as its moral obligations within the areas of equal treatment.

During 2021, NREP has completed or are in the process of completing several thousand residential units of addressing student housing, community-based living, mixed generation communities, senior housing, care homes or rental apartments catering to people, at or below median income, as part of NREP's journey to address societal challenges.

For 2021, NREP's results and progress for Social and personnel conditions is considered satisfactory. NREP expect to continuous focus on this area in the future.

Respect for human rights

NREP does not tolerate slavery or human trafficking within its business or supply chains. NERP has implemented an Anti-trafficking and slavery Policy and applies this policy to all employees, temporary workers, contract workers and third parties acting on the NREP's behalf.

NREP takes the policy into action by informing employees on the time on onboarding and annually, in order to ensure awareness of the topic of slavery and human trafficking and ensure that NREP meets both its legal obligations as well as its moral obligations. All new suppliers or partners must provide assurance that they do not engage in slavery or human trafficking.

The provisions of this policy are subject to compliance with applicable legal requirements in the NREP´s countries of operation.

NREP`s activities are exposed to various human rights risks including, but not limited to reputational risk of noncompliance.

As a minimum, NREP will meet all local requirements (including but not limited to requirements regarding local community consultation), assess risks and opportunities as part of due diligence and, in addition, proactively engage with relevant local stakeholders to mitigate risks where potential risks are identified.

NREP communicates the policy to employees, suppliers, and contractors to inspire, motivate, create awareness and to actively invite for broad participation.

NREP presents the policy to all onboarding employees and annually to the rest of NREP, in order to ensure awareness of the topic of slavery and human trafficking and ensure that NREP meets both its legal obligations as well as its moral obligations. For 2021, NREP's results and progress for respect for human rights is considered satisfactory. In the future, NREP will continue focus on this area.

Anti-corruption and bribery

NREP is committed to conducting all of its business operations in an honest, fair, transparent and ethical manner. Corruption inhibits economic growth and affects business operations, employment and investments. In order to avoid the negative consequences of corruption, the NREP has implemented an Anti-Bribery and Corruption Policy, prohibiting any form of corruption and bribery in connection with its business activities.

The Risk and Compliance Committee monitor the implementation of this policy and coordinate periodic training on this policy for the NREP's employees.

NREP`s activities are exposed to various anti-corruption and bribery risks including, but not limited to reputational risk and risk of noncompliance.

NREP will, as a minimum meet, all local requirements (including but not limited to requirements regarding local community consultation), will assess risks and opportunities as part of due diligence and will proactively engage with relevant local stakeholders, where potential risks are identified, to mitigate risks.

NREP communicates its policy to employees, suppliers, and contractors to inspire, motivate, create awareness and to actively invite for broad participation.

In 2021, NREP informed all employees of this policy at time of onboarding and annually. For 2021, NREP's results and progress for Anti-corruption and bribery is considered satisfactory. NREP will continue to focus on this area in the future.

Account of the gender composition of management

NREP is committed to encourage a working environment that promotes equality and diversity by providing equal opportunity for employment, training, advancement and development.

NREP has developed a Work Environment and Diversity Policy, in order to promote equality and diversity and is committed to never discriminate employment or remuneration because of race, color, religion, sex, political opinion, national extraction, social origin or any other attribute which bears no relation to the job performed.

NREP has a target of minimum 33% of the under-represented gender to be represented on all levels. As end 2021, NREP has the following status on gender composition of management:

Senior management body:

- Board of Directors consists of four men and one woman

In 2021 a woman was elected to the Board of Directors. NREP's target has not been reached yet but will focus on reaching the target within the next 3 years.

Other levels of management:

- Executive Management Team consists of four men and no women
- Operations Management Team consists of four men and five women

In one of the two other levels of management in NREP has equal distribution of men and women.

In order to increase the percentage of the under-represented gender, NREP has implemented different initiatives. For example, NREP has set a goal that at least 40% of all new hires on an annual basis, should consist of the underrepresented gender. A goal that was fulfilled in 2021. NREP's actions includes requirements to external recruiters, internal team leaders etc. to increase diversity.

Data ethics

NREP assess that data ethics is data security, it`s the right to privacy for NREP's employees and it`s the organization`s methods of archiving and documentation.

NREP has developed an Information Security Policy, Privacy Policy and Documentation Policy which all covers the subject data ethics.

NREP`s Information Security Policy covers topics like PC`s, mobile devices, asset management, access management, encryption, physical security and environmental security, operational security, communication security, acquisition, development and maintenance of systems, supplier relations, information security incident management, information security aspects of emergency, contingency and recovery management and compliance

NREP`s Privacy Policy covers data gathered before employment, during employment, master data, personal data concerning health, data about next of kin, reprimands, warnings, data about control measures, use of photos, severance service, sources, storage and erasure, other recipients who may process personal data, transfer of personal data to third countries, employee rights, filing of complaints with the national data protection agency, archiving and documentation.

NREP`s Documentation Policy covers duties and responsibilities, preservation of information, format of recording, archiving and documentation.

All of these policies are an integral part of NREP`s work to secure compliance with applicable laws and regulation in general. This includes setting up internal controls and making sure NREP has sufficient competencies in place by providing training to relevant functions.

Income statement

tDKK	Note	Group 2021	Group 2020	Parent 2021	Parent 2020
Revenue	1	**630,588**	**525,303**	**301,798**	**263,900**
Other administrative expenses		(286,198)	(165,951)	(161,872)	(90,704)
Operating profit/loss		**344,390**	**359,351**	**139,927**	**173,196**
Income from investments in associates related to NREP managed funds	12	106,272	16,481	-	-
Income from investments in other investments related to NREP managed funds	13	144,021	49,709	-	-
Staff expenses	2	(501,236)	(319,160)	(238,678)	(162,131)
Depreciation, amor. and impairment losses	6,7,8	(24,988)	(16,011)	(2,397)	(1,723)
Profit/loss before financial income and expenses		**68,459**	**90,370**	**(101,148)**	**9,342**
Income/loss from investments in subsidiaries	9	-	-	(47,936)	66,179
Income/loss from investments in joint ventures	11	(4,144)	(4,358)	(4,144)	(4,358)
Income/loss from investments in associates	12	170	5,867	451	2,203
Income/loss from investments in other investments	13	158	(2,916)	-	-
Net gain/loss in sale of shares in other investments	13	(6,779)	18,633	(1,095)	12,555
Financial income	3	3,431	380	4,845	6,156
Financial expenses	4	(8,510)	(12,159)	(13,358)	(5,223)
Profit/loss before tax		**52,784**	**95,819**	**(162,386)**	**86,854**
Tax on profit/loss for the year	5	29,364	(5,666)	22,255	(2,399)
Net profit/loss for the year		**82,148**	**90,152**	**(140,131)**	**84,454**
Thereof:					
Attributable to the shareholders		43,995	61,468		
Attributable non-controlling interests		38,153	28,685		
		82,148	**90,152**		
Item that may be reclassified to profit or loss					
Exchange dif. on translation of foreign operations		(3,223)	2,626		
Total other comprehensive income		**(3,223)**	**2,626**		
Total comprehensive income		**78,925**	**92,778**		
Thereof:					
Attributable to the shareholders		40,948	64,294		
Attributable non-controlling interests		37,977	28,484		
		78,925	**92,778**		

The notes on pages 19 to 59 form an integral part of these consolidated financial statements.

Balance sheet

tDKK	Note	Group 2021	Group 2020	Parent 2021	Parent 2020
Software		-	318	-	318
Other intangible		7,226	-	-	-
Development projects in progress		6,913	7,090	4,993	-
Intangible assets	6	**14,139**	**7,408**	**4,993**	**318**
Land and buildings	7	1,185	1,210	1,185	1,210
Other fixtures, fittings, tools and equipment	7	6,344	5,398	2,900	-
Leasehold improvements	7	5,090	5,161	4,264	5,161
Right-of-use assets	8	49,363	48,376	-	-
Property, plant and equipment total		**61,982**	**60,146**	**8,350**	**6,372**
Investments in subsidiaries	9	-	-	106,054	103,343
Investments in joint ventures	11	944	2,937	944	2,937
Investments in associates	12	352,339	64,243	220,513	15,873
Receivables from group enterprises	13	-	-	220	29,838
Other investments	13	281,880	171,283	17,457	2,579
Other receivables	13	13,111	4,588	12,934	2,242
Deferred tax asset	5	33,872	2,798	22,365	110
Total other non-current assets		**682,146**	**245,849**	**380,487**	**156,924**
Total non-current assets		**758,267**	**313,402**	**393,829**	**163,613**
Trade receivable	14	182,002	65,582	68,677	35,706
Receivables from group enterprises	14	-	-	148,679	101,420
Other receivables and income tax receivables	14	50,002	42,914	39,388	27,806
Change in other current financial assets	15	16,831	4,603	7,156	2,464
Cash		171,603	505,459	95,190	449,924
Total current assets		**420,439**	**618,558**	**359,090**	**617,319**
Total assets		**1,178,705**	**931,959**	**752,919**	**780,933**
Share capital	17	1,359	1,359	1,359	1,359
Equity method reserve		-	-	7,530	70,717
Reserve for foreign currency translation		338	3,388	-	-
Reserve for development costs		-	-	3,895	-
Retained earnings		623,982	579,133	356,197	440,081
Equity attributable to shareholders of parent company		**625,682**	**583,880**	**368,980**	**512,158**
Minority interests		87,302	53,406	-	-
Equity		**712,985**	**637,286**	**368,980**	**512,158**
Provisions	25	51,424	19,132	-	-
Lease liabilities	8	30,991	36,177	-	-
Other payables	20	-	14,493	-	-
Total non-current liabilities		**82,415**	**69,803**	**-**	**-**
Lease liabilities	8	19,327	12,820	-	-
Credit institutions	20	51,050	44,861	51,050	43,388
Trade payables	19	62,861	43,019	38,005	36,420
Payables to group enterprises		-	-	199,692	136,375
Other payables	20	250,068	124,171	95,193	52,592
Total current liabilities		**383,305**	**224,871**	**383,939**	**268,775**
Total liabilities		**465,721**	**294,674**	**383,939**	**268,775**
Total equity and liabilities		**1,178,705**	**931,959**	**752,919**	**780,933**

Statement of changes in Equity

	Group					
tDKK	Share capital	Reserve for foreign currency translation	Retained earnings	Equity attributable to owners of the parent company	Non-controlling interests	Total
2021						
Equity at 1 January	1,359	3,388	579,133	583,880	53,406	637,286
Net profit/loss for the year	-	-	43,995	43,995	38,153	82,148
Exchange diff. relating to foreign entities	-	(3,047)	-	(3,047)	(176)	(3,223)
Total comprehensive income for the period	**-**	**(3,047)**	**43,995**	**40,948**	**37,977**	**78,925**
NCI movement	-	-	4,081	4,081	(4,081)	-
Other movements	-	-	(3,226)	(3,226)	-	(3,226)
Equity at 31 December	**1,359**	**341**	**623,983**	**625,682**	**87,302**	**712,985**
2020						
Equity at 1 January	1,000	561	150,244	151,805	39,762	191,568
Net profit/loss for the year	-	-	61,468	61,468	28,685	90,152
Exchange diff. relating to foreign entities	-	2,826	-	2,826	(201)	2,626
Total comprehensive income for the period	**-**	**2,826**	**61,468**	**64,294**	**28,484**	**92,778**
Transactions with owners						
Capital increase	359	-	391,272	391,631	-	391,631
Warrant program	-	-	1,602	1,602	-	1,602
Transaction with minorities	-	-	(1,238)	(1,238)	1,238	-
Distribution of shares	-	-	(24,215)	(24,215)	-	(24,215)
Extraordinary dividend paid	-	-	-	-	(16,078)	(16,078)
Equity at 31 December	**1,359**	**3,388**	**579,133**	**583,880**	**53,406**	**637,286**

For the year ended December 31, 2021

tDKK	Share capital	Equity method reserve	Reserve for development costs	Retained earnings	Total
	Parent				
2021					
Equity at 1 January	1,359	70,717	-	440,081	512,158
Net profit/loss for the year	-	(51,595)	-	(88,532)	(140,131)
Exchange rate adj. foreign entities	-	(3,049)	-	-	(3,049)
Disposal of subsidiaries	-	1,353	-	(1,353)	-
Dividends from subsidiaries	-	(7,000)	-	7,000	-
Other movements associates & JV	-	(2,896)	-	2,896	-
Development costs for the year (net of tax)	-	-	3,895	(3,895)	-
Equity at 31 December	**1,359**	**7,530**	**3,895**	**356,197**	**368,980**
2020					
Equity at 1 January	1,000	13,862	-	43,823	58,685
Net profit/loss for the year	-	56,855	-	27,599	84,454
Share capital increase	359	-	-	391,272	391,631
Warrant program	-	-	-	1,602	1,602
Distribution of shares	-	-	-	(24,215)	(24,215)
Equity at 31 December	**1,359**	**70,717**	**-**	**440,081**	**512,158**

Statement of cash flow

tDKK	Note	Group 2021	2020
Net profit/loss for the year		82,148	90,152
Adjustments to reconcile profit before tax to net cash flows:			
Financial income	3	(3,431)	(380)
Financial expenses	4	8,510	12,159
Depreciation, amortisation and impairment losses	6,7,8	24,988	16,011
Loss (gain) on disposal property, plant and equipment		(526)	(79)
Loss (gain) in sale of shares in other investments		6,779	(18,633)
Income from Investments in associates	12	(170)	(5,867)
Income from investments in joint ventures	11	4,144	4,358
Income from investment in other investments	13	(158)	2,916
Income from investments in associates related to NREP managed funds	12	(106,272)	(16,481)
Income from investments in NREP managed funds	13	(144,021)	(49,709)
Tax on profit/loss for the year	5	(29,364)	5,666
Changes in net working capital:			
Change in other non-current receivables		(8,523)	2,289
Change in receivables and other receivables		(128,649)	(45,116)
Change in other current financial assets		(7,088)	(312)
Change in trade payables and other payables		145,738	77,787
Change in non-current other payables		(14,493)	(2,735)
Provisions		32,292	19,132
Interest income received	3	3,431	271
Dividend income received	12,13	44,721	85,965
Interest paid	4	(5,915)	(7,327)
Exchange rate realised net	4	(2,595)	(4,915)
Income tax paid	5	1,118	7,964
Net cash flow from operating activities		**(97,336)**	**173,115**
Purchase of intangible assets	6	(8,866)	(512)
Purchase of property, plant and equipment	7	(6,454)	(1,649)
Purchase of investments in associates	12	(206,925)	(5,919)
Purchase of investments in joint ventures	11	(2,150)	(6,270)
Disposal of investments in associates	12	(4,228)	-
Disposal assets/liabilities held for sale		-	(865)
Purchase of other non-current financial assets	13	(15,800)	(78,883)
Disposal of other non-current financial assets	13	25,089	2,651
Net cash flow from investing activities		**(219,334)**	**(91,447)**
Capital increase	17	-	391,631
Proceed from borrowings from credit institutions	20	6,189	(2,878)
Repayment of principal portion of lease liabilities	8	(20,891)	(13,223)
Share based payment expense		-	1,602
Dividend paid to NCI	16	-	(16,078)
Cash flow from financing activities		**(14,702)**	**361,053**
Change in cash and cash equivalents		**(331,372)**	**442,721**
Cash and cash equivalents at 1 January		505,459	62,738
Exchange adjustment of cash and cash equivalents		(2,484)	-
Cash and cash equivalents at 31 December		**171,603**	**505,459**

Notes to the financial statement

1. Revenue

tDKK	Group						
	Corporate	Living	Logistic	Office	D&I	Care	Total
2021							
Asset Management Fee	217,508	59,652	77,269	21,195	38,480	10,755	424,859
Service corporate fee	28,557	59,086	24,977	8,545	24,648	8,455	154,269
Other revenue	2,217	49,243	-	-	-	-	51,460
Total	**248,282**	**167,981**	**102,247**	**29,740**	**63,129**	**19,211**	**630,588**
2020							
Asset Management Fee	205,443	56,343	72,983	20,020	36,346	10,159	401,293
Service corporate fee	17,204	35,596	15,047	5,148	14,849	5,094	92,937
Other revenue	1,339	29,734	-	-	-	-	31,072
Total	**223,985**	**121,672**	**88,030**	**25,167**	**51,195**	**15,252**	**525,303**

Other revenue mainly relates to income from Platforms

tDKK	Parent						
	Corporate	Living	Logistic	Office	D&I	Care	Total
2021							
Asset Management Fee	4,036	29,525	12,564	15,733	29,742	2,253	93,854
Service corporate fee	18,253	23,434	4,542	8,545	12,351	2,860	69,984
Other revenue	151	-	-	127	-	-	277
Internal Advisory Fee	137,683	-	-	-	-	-	137,683
Total	**160,123**	**52,959**	**17,107**	**24,405**	**42,092**	**5,113**	**301,798**
2020							
Asset Management Fee	1,895	13,865	5,900	7,388	13,965	1,058	44,073
Service corporate fee	9,724	12.484	2,420	4,552	6,579	1,523	37,282
Other revenue	-	-	-	-	-	-	-
Internal Advisory Fee	182,545	-	-	-	-	-	182,545
Total	**194,164**	**26,349**	**8,320**	**11,940**	**20,546**	**2,582**	**263,900**

2. Staff expenses

tDKK	Group		Parent	
	2021	2020	2021	2020
Wages and salaries	397,527	246,608	205,354	135,315
Pensions	36,683	20,267	12,933	7,135
Other social security expenses	27,493	15,654	(888)	26
Other staff expenses	39,532	36,631	21,278	19,655
Total	**501,236**	**319,160**	**238,678**	**162,131**
Average number of employees	**385**	**230**	**171**	**105**

Other staff expenses include staff recruitment and temporary work.

Key Management Compensation

The key management for the NREP Group has been defined as the partner group, which consist of 17 persons (2020: 14 persons), executive Management and Board of Directors. The compensation paid or payables to key management for employee services is shown below:

	Group	
tDKK	2021	2020
Wages and salaries	41,789	26,941
Pensions, defined contribution plans	554	220
Total	**42,343**	**27,161**
Compensation to the Board of Directors and Key Management		
Compensation to the Board of Directors	8,615	5,706
Compensation to the Key Management	33,727	21,454
	42,343	**27,161**

3. Financial Income

	Group		Parent	
tDKK	2021	2020	2021	2020
Dividends on share in other investments	-	-	1,164	5,967
Interest received from group enterprises	-	-	558	(15)
Other interest income	467	189	160	157
Other financial income	2,964	192	2,963	47
Total	**3,431**	**380**	**4,845**	**6,156**

4. Financial expenses

	Group		Parent	
tDKK	2021	2020	2021	2020
Interest paid to group enterprises	-	-	7,570	2,225
Other interest expenses	4,806	5,903	3,252	2,176
Exchange losses	2,595	4,832	2,536	821
Lease expenses	1,109	1,425	-	-
Total	**8,510**	**12,159**	**13,358**	**5,223**

Other interest expenses refer to interest on working capital facility, interest on cash management services and other bank charges.

5. Income tax

The major components of income tax expense for the years ended 31 December 2021 and 2020 are:

	Group		Parent	
tDKK	2021	2020	2021	2020
Current tax for the year	(1,711)	(4,604)	-	(135)
Deferred tax for the year	31,074	(1,062)	22,255	(2,265)
Income tax expense - statement of profit/ loss	**29,364**	**(5,666)**	**22,255**	**(2,399)**

Reconciliation of tax expense and the accounting profit multiplied by Denmark's domestic tax rate for 2021 and 2020:

	Group 2021	Group 2020	Parent 2021	Parent 2020
At Denmark's statutory income tax rate of 22% (2020: 22%)	**11,613**	**20,328**	**(35,725)**	**19,108**
Tax effects				
Difference in tax rates	-	-	-	-
Non-taxable income	(55,136)	(17,698)	(99)	(16,847)
Non-deductible expenses	12,091	2,302	13,825	758
Tax exempt dividends	-	-	(256)	(1,313)
Adjustment of tax relating to previous years	-	207	-	207
Warrant program	-	352	-	352
Other	2,069	174	-	135
Tax effects, total	**(40,976)**	**(14,662)**	**13,470**	**(16,708)**
Tax expenses	**29,364**	**(5,666)**	**22,255**	**(2,399)**
Effective tax rate	56%	-6%	-14%	-3%
Deferred tax				
Provision for deferred tax at 1 January	(2,798)	(3,860)	(110)	(2,375)
Amounts recognised in the statement of income for the year	(31,074)	1,062	(22,255)	2,265
Deferred tax at 31 December	**(33,872)**	**(2,798)**	**(22,365)**	**(110)**
Property, plant and equipment	158	139	(110)	(110)
Other Intangible	730	-	-	-
Development projects	690	708	-	-
Tax loss carry-forward	(35,450)	(3,644)	(22,255)	-
	(33,872)	**(2,798)**	**(22,365)**	**(110)**
Of which presented as deferred tax assets	33,872	2,798	22,365	110
Of which presented as deferred tax liabilities		-		-

6. Intangible assets

	Group			
tDKK	Software	Other intangible assets	Development projects in progress	Total
2021				
Cost at 1 Jan	21,429	-	11,089	32,518
Additions for the year	-	1,953	6,913	8,866
Disposals for the year	17,657	-	-	17,657
Transfer	-	11,098	(11,098)	-
Movements due to currency	(37)	-	10	(27)
Cost at 31 Dec	**3,735**	**13,051**	**6,913**	**23,699**
Impairment losses and amortisation at 1 Jan	(21,111)	-	(3,999)	(25,110)
Impairment losses and amortisation for the year	(318)	(1,814)	-	(2,132)
Additions for the year	-	-	-	-
Disposals for the year	17,657	-	-	17,657
Transfer	-	(4,011)	4,011	-
Movements due to currency	37	-	(12)	24
Impairment losses & amortisation at 31 Dec	**(3,735)**	**(5,825)**	**-**	**(9,560)**
Carrying amount at 31 December	**-**	**7,226**	**6,913**	**14,139**
2020				
Cost at 1 Jan	21,071	-	10,921	31,992
Additions for the year	318	-	194	512
Movements due to currency	40	-	(26)	13
Cost at 31 Dec	**21,429**	**-**	**11,089**	**32,518**
Impairment losses & amortisation at 1 Jan	(21,071)	-	(3,261)	(24,333)
Impairment losses & amortisation for the year	-	-	(747)	(747)
Movements due to currency	(40)	-	9	(30)
Impairment losses & amortisation at 31 Dec	**(21,111)**	**-**	**(3,999)**	**(25,110)**
Carrying amount at 31 December	**318**	**-**	**7,090**	**7,408**

Development projects in progress holds capitalized costs related to mainly to Software.

	Parent		
tDKK	Software	Development projects in progress	Total
2021			
Cost at 1 January	20,298	-	20,298
Additions for the year	-	4,993	4,993
Disposals for the year	(16,563)	-	(16,563)
Cost at 31 December	**3,735**	**4,993**	**8,728**
Impairment losses & amortisation at 1 Jan	(19,980)	-	(19,980)
Impairment losses & amortisation for the year	(318)	-	(318)
Disposals for the year	16,563	-	16,563
Impairment losses & amortisation at 31 Dec	**(3,735)**	**-**	**(3,735)**
Carrying amount at 31 December	-	**4,993**	**4,993**
2020			
Cost at 1 January	19,980	-	19,980
Additions for the year	318	-	318
Cost at 31 December	**20,298**	**-**	**20,298**
Impairment losses and amortisation at 1 Jan	(19,980)	-	(19,980)
Impairment losses for the year	-	-	-
Impairment losses and amortisation at 31 Dec	**(19,980)**	**-**	**(19,980)**
Carrying amount at 31 December	**318**	**-**	**318**

Development projects in progress holds capitalized costs related to mainly to Software.

7. Property, plant and equipment

	Group			
tDKK	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improve-ments	Total
2021				
Cost at 1 January	1,250	12,089	8,081	21,420
Additions for the year	-	2,608	3,846	6,454
Disposals for the year	-	(2,277)	(2,816)	(5,093)
Transfer	-	1,265	(1,265)	-
Movements due to currency	-	42	-	42
Cost at 31 December	**1,250**	**13,727**	**7,846**	**22,823**
Impairment losses and depreciation at 1 Jan	(40)	(6,691)	(2,920)	(9,651)
Additions for the year	-	(1,094)	(159)	(1,253)
Disposals for the year	-	1,751	2,816	4,567
Depreciation for the year	(25)	(2,570)	(1,197)	(3,792)
Movements due to currency	-	1,296	(1,296)	-
Transfer	-	(76)	(0)	(76)
Impairment losses and depreciation at 31 Dec	**(65)**	**(7,383)**	**(2,756)**	**(10,204)**
Carrying amount at 31 December	**1,185**	**6,344**	**5,090**	**12,619**
2020				
Cost at 1 January	1,250	10,611	7,849	19,709
Additions for the year	-	1,417	232	1,649
Transfers	-	-	-	-
Movements due to currency	-	62		62
Cost at 31 December	**1,250**	**12,089**	**8,081**	**21,420**
Impairment losses and depreciation. at 1 Jan.	(15)	(5,552)	(1,278)	(6,844)
Depreciation for the year	(25)	(1,113)	(1,642)	(2,780)
Movements due to currency	-	(26)	-	(26)
Impairment losses and depreciation. at 31 Dec	**(40)**	**(6,691)**	**(2,920)**	**(9,651)**
Carrying amount at 31 December	**1,210**	**5,398**	**5,161**	**11,769**

tDKK	Parent Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improve-ments	Total
2021				
Cost at 1 January	1,250	2,816	8,081	12,147
Additions for the year	-	1,326	2,732	4,057
Disposals for the year	-	-	(2,816)	(2,816)
Transfer	-	1,265	(1,265)	-
Cost at 31 December	**1,250**	**5,407**	**6,732**	**13,388**
Impairment losses and depreciation at 1 Jan	(40)	(2,816)	(2,920)	(5,776)
Depreciation for the year	-	-	2,816	2,816
Disposals for the year	(25)	(987)	(1,067)	(2,079)
Transfer	-	1,296	(1,296)	-
Impairment losses and depreciation at 31 Dec	**(65)**	**(2,507)**	**(2,467)**	**(5,039)**
Carrying amount at 31 December	**1,185**	**2,900**	**4,264**	**8,350**
2020				
Cost at 1 January	1,250	2,816	7,849	11,915
Additions for the year	-	-	232	232
Cost at 31 December	**1,250**	**2,816**	**8,081**	**12,147**
Impairment losses and depreciation at 1 Jan	(15)	(2,760)	(1,278)	(4,052)
Depreciation for the year	(25)	(57)	(1,642)	(1,723)
Impairment losses and depreciation at 31 Dec	**(40)**	**(2,816)**	**(2,920)**	**(5,776)**
Carrying amount at 31 December	**1,210**	**-**	**5,161**	**6,372**

8. 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, Finland, Norway and Luxemburg. 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:

	Group		
tDKK	Right of use buildings	Right of use other fixtures and fittings, tools and equipment	Total
Cost at 1 January 2020	64,505	3,554	68,060
Additions	2,438	1,561	3,999
Transfers and amendments	1,251	(275)	976
Disposals	-	(1,987)	(1,987)
Exchange differences	555	51	606
Cost at 31 December 2020	**68,750**	**2,904**	**71,653**
Additions	20,610	271	20,881
Transfers and amendments	-	-	-
Disposals	-	(749)	(749)
Exchange differences	(424)	(161)	(585)
Cost at 31 December 2021	**88,936**	**2,265**	**91,200**
Depreciation			
Depreciation at 1 January 2020	(9,979)	(943)	(10,922)
Depreciation charge for the year	(12,227)	(660)	(12,887)
Impairment & Amendments	392	10	403
Disposals	-	495	495
Exchange differences	(359)	(8)	(367)
Depreciation at 31 December 2020	**(22,172)**	**(1,105)**	**(23,277)**
Depreciation charge for the year	(19,255)	(721)	(19,976)
Impairment & Amendments	700	-	700
Disposals	-	553	553
Exchange differences	156	7	163
Depreciation At 31 December 2021	**(40,571)**	**(1,266)**	**(41,837)**
Carrying amount at 31 December 2O21	**48,364**	**999**	**49,363**
Carrying amount at 31 December 2O20	**46,577**	**1,799**	**48,376**

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

tDKK	Group Lease liabilities
At 1 January 2020	57,133
Additions - new leases	3,999
Disposals	(1,537)
Amendments	824
Repayment of lease debt	(13,223)
Interest	1,454
Exchange	348
At 31 December 2020	**48,997**
Additions - new leases	20,881
Disposals	(312)
Amendments	-
Repayment of lease debt	(20,891)
Interest	1,109
Exchange	534
At 31 December 2021	**50,318**
Short term at 31 December 2021	19,327
Long term at 31 December 2021	30,991
Short term at 31 December 2020	12,820
Long term at 31 December 2020	36,117

9. Investments in subsidiaries

	Parent	
tDKK	2021	2020
Cost at 1 January	33,173	33,617
Additions for the year	35,379	6,294
Disposal for the year	(486)	(6,718)
Transfers for the year	-	(20)
Cost at 31 December	**68,066**	**33,173**
Value adjustments at 1 January	68.514	13,862
Exchange adjustment	(3,049)	3,437
Net profit/loss for the year	(47,934)	66,179
Disposals during the year	1.353	1,243
Dividend to the Parent Company	(7,000)	(16,207)
Value adjustments at 31 December	**11,884**	**68,514**
Equity investments with negative net asset value amortised over receivables	26,103	1,656
Carrying amount at 31 December	**106,054**	**103,343**

Additions for the year, consist of capital injections in newly registered entities (DKK 996 thousand) and capital injections in existing entities (DKK 34,383 thousand).

NREP A/S

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital		Votes and ownership	
		2021	2020	2021	2020
UMEUS ManCo ApS	Nordhavn, DK	DKK 50,002	DKK 50,001	100%	100%
NREP Komplem. ApS in liquidation	Nordhavn, DK	DKK 0	DKK 80,000	0%	100%
Komp. NREP Copenhagen Resi. Fund 1 ApS	Nordhavn, DK	DKK 80,000	DKK 80,000	100%	100%
Woods Office OpCo ApS	Nordhavn, DK	DKK 650,000	DKK 650,000	100%	100%
Den Studios Denmark ApS	Nordhavn, DK	DKK 50,002	DKK 50,001	50%	50%
NNSF IV IP CIV GP ApS	Nordhavn, DK	DKK 40,001	DKK 40,000	100%	100%
Komplem. NREP NSF IV Investment ApS	Nordhavn, DK	DKK 40,001	DKK 40,000	100%	100%
Komplem. NREP Income+ Investment ApS	Nordhavn, DK	DKK 40,001	DKK 40,000	100%	100%
NREP Income+ Investment K/S	Nordhavn, DK	DKK 0	DKK 0	100%	100%
NREP NSF IV Investment K/S	Nordhavn, DK	DKK 0	DKK 0	100%	100%
2150 ApS	Nordhavn, DK	DKK 40,000	DKK 40,000	60%	100%
Komplem. 2150 Investment ApS	Nordhavn, DK	DKK 40,000	-	60%	-
-Komplem. 2150 CIV ApS	Nordhavn, DK	DKK 40,000	-	60%	-
Komplementarselskabet NREP Income+ CIV ApS	Nordhavn, DK	DKK 40,001	-	100%	-
NREP NSF V Investment K/S	Nordhavn, DK	PLN 5,000	-	100%	-
2150 Fund CIV K/S	Nordhavn, DK	EUR 12,000	-	100%	-
JULI Living DK ApS	Nordhavn, DK	EUR 6,500	-	100%	-
2150 Invest K/S	Nordhavn, DK	DKK 100	-	60%	-
2150 Invest II ApS	Nordhavn, DK	DKK 40,000	-	60%	-
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%
NREP Management Company S.à.r.l.	Luxembourg	EUR 125,000	EUR 125,000	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	EUR 12,000	100%	100%
NREP Income+ Fund GP S.à r.l.	Luxembourg	EUR 20,000	EUR 20,000	100%	100%
NREP Income+ Fund RE GP S.à.r.l.	Luxembourg	EUR 12,000	EUR 12,000	100%	100%
2150 GP I Sarl	Luxembourg	EUR 12,000	-	60%	-
NREP Nordic Strategies Fund V GP S.à r.l.	Luxembourg	EUR 2,800	-	100%	-
NREP AB	Stockholm, SE	SEK 100,000	SEK 100,000	100%	100%
NREP InvestCo 65 AB	Stockholm, SE	EUR 6,500	EUR 6,500	62%	62%
NREP NSF IV Investment AB	Stockholm, SE	EUR 0	EUR 6,500	0%	100%
NREP Income+ Investment AB	Stockholm, SE	EUR 6,500	EUR 6,500	100%	100%
2150 CarbonCure AB	Stockholm, SE	EUR 25,000	EUR 2,491	100%	100%
NREP NSF IV Investment MidCo AB	Stockholm, SE	EUR 6,500	-	100%	-
NREP NSF V Investment AB	Stockholm, SE	DKK 40,000	-	100%	-
NREP Oy	Helsinki, FIN	EUR 2,500	EUR 2,500	50%	50%
Noli Studios Finland Oy	Helsinki, FIN	EUR 1,295,791	EUR 2,500	100%	100%
Noli Studios Finland Staff Pool Oy	Helsinki, FIN	EUR 2,500	EUR 2,500	100%	100%
Juli Living Finland Oy	Helsinki, FIN	EUR 2,800	-	100%	
NREP AS	Oslo, NO	NOK 100,800	NOK 100,800	100%	100%
NREP Ventures Co 2 AS	Oslo, NO	NOK 30,000	NOK 30,000	100%	100%
NREP Corporation UK Limited	London, UK	GBP 1	GBP 1	100%	100%
2150 UK Ltd	London, UK	GBP 1	-	60%	-
NREP Germany GmbH	Frankfurt, GE	EUR 25,000	-	100%	-
2150 Advisory Germany GmbH	Frankfurt, GE	EUR 25,000	-	60%	-
NREP Poland sp. z o.o.	Warsaw, PL	PLN 5,000		100%	
Noli Studios Poland z o. o.	Warsaw, PL	PLN 5,000	-	50%	-

10. Partially owned subsidiaries

Proportion of equity interest held by non-controlling interests:

		Group	
Name	Country of operation	2021	2020
NREP Oy	Helsinki, Finland	50%	50%
NREP InvestCo 65 AB	Stockholm, Sweden	62%	62%
2150 Aps	Nordhavn, Denmark	60%	60%

	Group	
	2021	2020
Accumulated balances of non-controlling interest		
NREP Oy	39,560	24,013
NREP InvestCo 65 AB	27	34
2150 ApS	14,562	-
Profit allocated to non-controlling interest		
NREP Oy	1,837	18,475
NREP InvestCo 65 AB	(6)	(6)
2150 ApS	2,829	-

Summarized statement of profit or loss:

	Group		
	NREP Oy	NREP InvestCo 65 AB	2150 Aps
2021			
Revenue	101,526	-	21,857
Administrative and other expenses	(97,626)	(11)	(12,622)
Net finance cost	(212)	(6)	(170)
Profit before tax	**3,688**	**(17)**	**9,066**
Income tax	-	-	(1,994)
Net profit	**3,688**	**(17)**	**7,071**
Total comprehensive income			
Attributable to non-controlling interests	1,837	(6)	2,829
Dividends paid to non-controlling interests	6,944	-	-
2020			
Revenue	105,445	-	-
Administrative & other expenses	(68,709)	(8)	-
Net finance cost	363	(9)	-
Profit before tax	**37,099**	**(16)**	-
Income tax	-	-	-
Net profit	**37,099**	**(16)**	-
Total comprehensive income			
Attributable to non-controlling interests	18,475	(6)	-
Dividends paid to non-controlling interests	8,071	-	-

Summarised statement of financial position:

	Group		
tDKK	NREP Oy	NREP InvestCo 65 AB	2150 ApS
2021			
Total assets	80,201	70	36,405
Total equity	1,029	63	7,111
Equity attributable to:			
Equity holders of parent	517	39	4,267
Non-controlling interest	513	24	2,845
2020			
Total assets	48,807	90	-
Total equity	11,291	79	-
Equity attributable to:			
Equity holders of parent	5,668	49	-
Non-controlling interest	5,623	30	-

11. Investments in Joint Ventures

	Parent	
tDKK	2021	2020
Cost at 1 January	7,295	-
Additions	2,150	6,270
Transfers for the year	-	1,025
Cost at 31 December	**9,445**	**7,295**
Value adjustments at 1 January	(4,358)	-
Net profit/loss for the year	(4,144)	(4,358)
Value adjustments at 31 December	**(8,501)**	**(4,358)**
Equity investments with negative net asset value amortised over receivables	-	-
Carrying amount at 31 December	**944**	**2,937**

Investments in Joint Ventures for 2021 are specified as follows:

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

12. Investments in associates

tDKK	Group 2021	Group 2020	Parent 2021	Parent 2020
Cost at 1 January	42,464	41,548	13,670	5,235
Exchange adjustment	(394)	228	-	-
Additions for the year	206,925	5,919	206,900	5,875
Disposals for the year	(4,228)	-	(4,210)	-
Transfers for the year	-	2,579	-	2,561
Other adjustments	-	(7,810)	-	-
Cost at 31 December	**244,767**	**42,464**	**216,360**	**13,670**
Value adjustments at 1 January	21,779	51,478	2,203	-
Exchange adjustment	158	411	36	-
Share of result NREP managed funds net of payments	106,272	16,481	-	-
Share of result other	170	5,867	452	-
Dividends	(22,232)	(60,159)	(140)	2,203
Other adjustments	1,424	7,700	1,601	-
Value adjustments at 31 December	**107,572**	**21,779**	**4,152**	**2,203**
Carrying amount at 31 December	**352,339**	**64,243**	**220,513**	**15,873**

Investments in associates for 2021 and 2020 are specified as follows:

	Place of registered office	Share capital 2021	Share capital 2020	Votes and ownership 2021	Votes and ownership 2020
Investment in NREP Fund					
NREP Co-Investment Nordhavn K/S	DK	DKK 12,000,000	DKK 12,000,000	48%	48%
Komp. NREP Co-Investment Nordhavn ApS	DK	DKK 60,000	DKK 60,000	48%	48%
Ejendomsselskabet Hellebro A/S	DK	DKK 17,500,000	DKK 17,500,000	20%	20%
NREP InvestCo 3 AB	SE	SEK 100,000	SEK 100,000	23%	23%
NREP InvestCo 28 AB	SE	SEK 50,000	SEK 50,000	32%	32%
NREP InvestCo 15 AB	SE	EUR 6,500	EUR 6,500	39%	39%
NREP InvestCo 31 AB	SE	SEK 50,000	SEK 50,000	25%	43%
NREP InvestCo 50 AB	SE	EUR 6,500	EUR 6,500	24%	24%
NREP InvestCo 14 AB	SE	EUR 6,500	EUR 6,500	36%	36%
NREP NSF III InvestCo 84 AB	SE	EUR 6,500	EUR 6,500	25%	25%
NREP InvestCo 95 AB	SE	EUR 17,333	EUR 17,333	33%	33%
NREP InvestCo 63 AB	SE	EUR 6,500	EUR 6,500	30%	30%
NREP NSF III InvestCo 94 AS	NO	NOK 35,548	NOK 35,548	29%	29%
NREP InvestCo 44 AS	NO	NOK 99,425	NOK 99,425	22%	22%
NREP NSF IV Investment S.a.r.l	LUX	EUR 28,500	-	42%	-
Flins Capital Partners GmbH	GE	EUR 25,000	-	48%	-
Investments in other					
Lendager Group ApS	DK	-	DKK 103,342	0%	45%

13. Other financial assets

tDKK	Group: Other non-current investments	Group: Other non-current receivables	Parent: Non-current receivables from group enterprises	Parent: Other non-current investments	Parent: Other non-current receivables
2021					
Cost at 1 January	105,748	4,588	31,598	10,457	2,242
Exchange adjustments	(1,598)	0	-	-	-
Additions for the year	15,579	12,197	19,962	14,883	12,371
Disposals for the year	(25,089)	-	(25,237)	(4)	-
Other adjustments	(221)	(4,340)	-	-	(1,679)
Transfer for the year	-	666	-	-	
Cost at 31 December	**94,419**	**13,111**	**26,323**	**25,336**	**12,934**
Value adjustments at 1 January	65,535	-	-	-	-
Exchange adjustment	235	-	-	-	-
Fair value adjustment, NREP managed funds net of payments	144,021	-	-	-	-
Fair value adjustment other	158	-	-	-	-
Dividends	(22,488)	-	-	-	-
Other adjustments	(0)	-	-	-	-
Value adjustments at 31 December	**187,461**	**-**	**-**	**-**	**-**
Impairment at 1 January	-	-	1,760	7,878	-
Exchange adjustment	-	-	-	-	-
Impairment losses for the year	-	-	24,344	-	-
Impairment losses released in connection with disposals	-	-	-	-	-
Impairment at 31 December	**-**	**-**	**26,104**	**7,878**	**-**
Carrying amount at 31 December	**281,880**	**13,111**	**219**	**17,457**	**12,934**

tDKK	Group: Other non-current investments	Group: Other non-current receivables	Parent: Non-current receivables from group enterprises	Parent: Other non-current investments	Parent: Other non-current receivables
2020					
Cost at 1 January	32,946	6,877	7,412	14,356	1,846
Exchange adjustments	215	180	-		-
Additions for the year	78,883	616	28,271	726	396
Disposals for the year	(2,651)	(2,419)	(4,084)	(1,039)	0
Other adjustments	(3,604)	(666)	-	(3,586)	-
Transfer for the year	(41)	-	-	-	-
Cost at 31 December	**105,748**	**4,588**	**31,598**	**10,457**	**2,242**
Value adjustments at 1 January	47,686	-	-	-	-
Exchange adjustment	(774)	-	-	-	-
Fair value adjustment, NREP managed funds net of payments	49,709	-	-	-	-
Fair value adjustment other	(2,916)				
Dividends	(25,256)	-	-	-	-
Other adjustments	(2,914)	-	-	-	-
Value adjustments at 31 December	**65,535**	**-**	**-**	**-**	**-**
Impairment at 1 January	(328)	-	1,121	639	-
Exchange adjustment	328	-	-	-	-
Impairment losses for the year	-	-	639	7,239	-
Impairment at 31 December	**-**	**-**	**1,760**	**7,878**	**-**
Carrying amount at 31 December	**171,283**	**4,588**	**29,838**	**2,579**	**2,242**

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.

14. Receivables

tDKK	Group 2021	Group 2020	Parent 2021	Parent 2020
Trade receivables	182,002	65,582	68,677	35,706
Receivables from group enterprises	-	-	148,679	101,420
Other current receivables	50,002	42,431	39,388	27,806
Income tax receivable	-	483	-	-
Total receivables	**232,005**	**108,496**	**256,743**	**164,931**

Trade receivables

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

	Group		Parent	
tDKK	2021	2020	2021	2020
Up to 30 days	91,968	32,387	14,847	14,510
Between 31 and 90 days	51,012	16,001	32,675	7,089
Between 91 and 365 days	39,022	17,194	21,155	14,106
Net receivables at 31 December	**182,002**	**65,582**	**68,677**	**35,706**

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 assessed as uncollectible.

Trade receivables are primarily related to asset management fees charged from NREP A/S Group to NREP fund assets and fund limited partners.

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.

15. Prepayments / Other current financial assets

The prepayments relate to external consultancy fee.

Other current assets include mainly prepayments. The prepayments relate to consultancy fee in for the funding of NREP Group managed funds.

16. Share base payment

As per 31 December 2021, the Group has one outstanding share-based incentive plan.

Description of the plan

At the general assembly 10th of 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 10th 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, 2021.

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. In 2020, the partners and employee paid 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 2020	-	-
Granted during 2020	18,076	1,108
Forfeited during 2020	-	-
Exercised during 2020	-	-
Expired during 2020	-	-
Outstanding 31/12/20	**18,076**	**1,108**
Granted during 2021	-	-
Forfeited during 2021	-	-
Exercised during 2021	-	-
Expired during 2021	-	-
Outstanding 31 December 2021	**18,076**	**1,108**

The weighted average remaining contractual life for the warrants outstanding as of 31 December 2021 is 3 years (4 years in 2020).

The weighted average fair value of warrants granted during the year was DKK 0 in 2021 and DKK 20,020,479 in 2020.

	Group
Year ended December 31, 2021	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
Model used	Actual transaction

*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.

17. Share capital

Dividends

The Board of Directors has not proposed dividend for 2021 (2020: 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 Group manages alternative investment funds and is therefore under the supervision of the Swedish Financial Supervisory Authority with regard to activities in its Swedish entity NREP AB. The capital as defined by management on 31 December 2021 and 2020 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

No capital changes in 2021 (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:

	Group				
tDKK	2021	2020	2019	2018	2017
Share capital at 1 January	1,359	1,000	1,000	1,000	1,000
Capital increase	-	359	-	-	-
Capital decrease	-	-	-	-	-
Share capital at 31 December	**1,359**	**1,359**	**1,000**	**1,000**	**1,000**

Number of shares outstanding:

	Parent	
Shares ('000)	2021	2020
Shares issued at 1 January	1,359	1,000
Shares issued during the year	-	359
Total number of shares	**1,359**	**1,359**
Holding of Treasury shares	-	-
Total number of outstanding shares at 31 December	**1,359**	**1,359**

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.

18. Proposed distribution of profit, Parent

tDKK	Parent 2021	2020
Reserve for net revaluation under the equity method	(51,595)	56,855
Retained earnings	(88,535)	27,599
Total	**(140,131)**	**84,454**

19. Trade Payables

Trade payables are non-interest bearing and are normally settled on current month +30-day terms.

20. Financial assets and liabilities

i. Interest-bearing loans and borrowings

	Group		Parent	
tDKK	2021	2020	2021	2020
Long-term part	-	-	-	-
Short-term part	51,050	44,861	51,050	43,388
Carrying amount at 31 December	**51,050**	**44,861**	**51,050**	**43,388**

As of December 31, 2021, the group has borrowing facilities available. The undrawn borrowing facilities available on 31 December 2021 amounted to DKK 201.8 million (2020 – DKK 37.5 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	
tDKK	2021	2020	2021	2020
Between 1 and 5 years	-	14,493	-	-
Long-term part	-	14,493	-	-
Other short-term payables	250,068	124,171	95,193	52,592
Short-term part	250,068	124,171	95,193	52,592
Carrying amount at 31 December	**250,068**	**138,664**	**95,193**	**52,592**

Short-term other payables consist of cost related to trade payables and staff, such as vacation pay, social security, pension contribution and bonus. The increase in short term payables, between 2020 and 2021, was a result of increased activity and number of employees in NREP A/S Group.

iii. Movements

The movements of financial liabilities are as follows:

	Group			
tDKK	Beginning of year	Cash flows	Non-cash changes	End of year
2021				
Current borrowings	44,861	6,189	-	51,050
Total	**44,861**	**6,189**	**-**	**51,050**
2020				
Non-current borrowings - disclosed as liabilities associated with asset held for sale / distribution				
Current borrowings	47,739	(2,878)	-	44,861
Total	**47,739**	**(2,878)**	**-**	**44,861**

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			
	2021		2020	
tDKK	Carrying amount	Fair value	Carrying amount	Fair value
Loans and receivables at amortised cost:				
Trade receivables	182,002	182,002	65,582	65,582
Other current and non-current receivables	63,113	63,113	47,502	47,502
Current and non-current receivables from group enterprises	(0)	(0)	-	-
Cash and cash equivalents	171,603	171,603	505,459	505,459
Financial assets at fair value through profit/loss:				
Associates	352,339	352,339	64,243	64,243
Other non-current investments	281,880	281,880	171,283	171,283
Financial assets	**1,050,937**	**1,050,937**	**854,069**	**854,069**
Carried at amortised cost:				
Credit institutions	51,050	51,050	44,861	44,861
Trade payables	62,861	62,861	43,019	43,019
Other payables	250,068	250,068	124,171	124,171
Provisions	51,424	51,424	19,132	19,132
Financial liabilities	**415,402**	**415,402**	**231,183**	**231,183**

	Parent			
	2021		2020	
tDKK	Carrying amount	Fair value	Carrying amount	Fair value
Loans and receivables at amortised cost:				
Trade receivables	68,677	68,677	35,706	35,706
Other current and non-current receivables	52,322	52,322	30,048	30,048
Current and non-current receivables from group enterprises	148,898	148,898	131,258	131,258
Cash and cash equivalents	95,190	95,190	449,924	449,924
Financial assets at fair value through profit/loss:				
Associates	220,513	220,513	15,873	15,873
Other non-current investments	17,457	17,457	2,579	2,579
Financial assets	**603,058**	**603,058**	**665,388**	**665,388**
Carried at amortised cost:				
Interest bearing loans and borrowings	(51,050)	(51,050)	43,388	43,388
Trade payables	(38,005)	(38,005)	36,420	36,420
Other payables	(95,193)	(95,193)	52,592	52,592
Payables to group enterprises	(199,692)	(199,692)	136,375	136,375
Financial liabilities	**(383,939)**	**(383,939)**	**268,775**	**268,775**

tDKK	Group Quoted prices (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Other non-current investments and associates (with shares or underlying shares measures at fair value)	-	-	634,219	634,219
Carrying amount 31 December 2021	**-**	**-**	**634,219**	**634,219**
Other non-current investments and associates (with shares or underlying shares measures at fair value)	-	-	235,526	235,526
Carrying amount 31 December 2020	**-**	**-**	**235,526**	**235,526**

The following table presents the change in level 3 items for the years ended 31 December 2021 and 31 December 2020:

tDKK	Group 2021	2020
Opening at 1 January	**235,526**	**173,331**
Additions associates related to NREP managed funds	206,925	5,919
Transfers and other adjustments associates related to NREP managed funds	(3,039)	3,107
Income from investments in associates related to NREP managed funds	106,272	16,481
Income from investments in other associates	170	5,867
Dividends from investments in associates related to NREP managed funds	(22,232)	(60,159)
Additions from investments related to NREP managed funds	15,579	78,883
Transfers and other adjustments investments related to NREP managed funds	(26,673)	(9,442)
Income from investments in other investments related to NREP managed funds	144,021	49,709
Income from investments in other investments	158	(2,916)
Dividends from investments in associates related to NREP managed funds	(22,488)	(25,256)
Closing balance 31 December	**634,219**	**235,526**

21. 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.

	Group						
	DKK	EUR	NOK	SEK	GBP	PLN	Total
2021							
Trade receivable and other receivable	111,963	65,862	17,412	33,840	410	2,517	232,005
Investment in other financial assets	105,981	35,350	139	153,345	-	177	294,991
Cash and cash equivalents	141,600	23,621	956	(154)	4,447	1,134	171,603
Total Financial assets	**359,545**	**124,833**	**18,506**	**187,031**	**4,857**	**3,827**	**698,598**
Intangible assets	8,274	5,865	-	-	-	-	14,139
Property, plant & equip, total	8,350	2,027	154	2,072	-	16	12,619
Right-of-use assets	49,363	-	-	-	-	-	49,363
Investment in associates & JV	350,554	100	87	2,542	-	-	353,283
Deferred tax assets	23,795	958	93	9,026	-	-	33,872
Prepayments	7,280	6,184	261	3,106	-	-	16,831
Total Non-Financial assets	**447,616**	**15,133**	**595**	**16,747**	**-**	**16**	**480,107**
Total Assets	**807,161**	**139,966**	**19,101**	**203,778**	**4,857**	**3,843**	**1,178,705**
Credit institutions	51,050	-	-	-	-	-	51,050
Trade and other payables	156,013	91,785	11,478	46,157	3,461	570	309,464
Provisions	-	867	-	50,557	-	-	51,424
Lease liabilities	50,319	-	-	-	-	-	50,319
Total Financial liabilities	**257,381**	**92,652**	**11,478**	**96,713**	**3,461**	**570**	**462,256**
Tax liabilities	2,585	347	-	-	533	-	3,465
Total Non-Financial liabilities	**2,585**	**347**	**-**	**-**	**533**	**-**	**3,465**
Total liabilities	**259,966**	**92,999**	**11,478**	**96,713**	**3,994**	**570**	**465,721**
Net currency position	**547,195**	**46,967**	**7,623**	**107,065**	**862**	**3,273**	**712,984**

tDKK	Group DKK	EUR	NOK	SEK	GBP	Total
2020						
Trade receivable and other receivable	66,275	26,924	3,273	16,012	631	113,115
Investment in other financial assets	105,550	25,367	43	40,323	-	171,283
Cash and cash equivalents	451,347	51,691	764	1,335	321	505,459
Total Financial assets	**623,172**	**103,983**	**4,080**	**57,670**	**952**	**789,857**
Intangible assets	3,599	3,809	-	-	-	7,408
Property, plant & equip, total	6,372	2,816	342	2,239	-	11,769
Right-of-use assets	13,151	16,699	758	17,084	683	48,376
Investment in associates & JV	53,404	118	785	12,874	-	67,180
Deferred tax assets	2,545	-	252	-	-	2,798
Prepayments	2,484	401	279	337	1,101	4,603
Total Non-Financial assets	**81,555**	**23,843**	**2,417**	**32,534**	**1,784**	**142,134**
Total Assets	**704,727**	**127,826**	**6,497**	**90,203**	**2,736**	**931,991**
Credit institutions	43,388	16	30	1,427	-	44,861
Trade and other payables	91,740	44,367	5,277	37,183	657	179,257
Provisions	-	-	-	19,132	-	19,132
Lease liabilities	14,021	16,998	773	16,515	690	48,997
Total Financial liabilities	**149,149**	**61,381**	**6,081**	**74,257**	**1,347**	**292,247**
Tax liabilities	(2)	73	-	2,387	-	2,458
Total Non-Financial liabilities	**(2)**	**73**	**.**	**2,387**	**-**	**2,458**
Total liabilities	**149,147**	**61,454**	**6,081**	**76,645**	**1,347**	**294,705**
Net currency position	**555,581**	**66,372**	**416**	**13,559**	**1,389**	**637,286**

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 2021 the Group has a committed undrawn borrowing facility of DKK 201,8 (EUR 27,1) 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.

tDKK	Group Less than 1 year	Between 1 and 5 years	More than 5 years	Total
End 2021				
Leases	19,327	21,853	9,139	50,319
Credit institutions	51,050	-	-	51,050
Other payables	245,730	-	-	245,730
Trade payables	62,861	-	-	62,861
Total	**378,968**	**21,853**	**9,139**	**409,960**
End 2020				
Leases	12,820	26,634	9,543	48,997
Credit institutions	44,861	-	-	44,861
Other payables	124,171	14,493	-	138,664
Trade payables	43,019	-	-	43,019
Total	**224,871**	**41,128**	**9,543**	**275,542**

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:

tDKK	Group 2021	2020
Trade receivables	182,002	65,582
Other receivables	50,002	42,431
Other non-current receivables	13,111	4,588
Cash and Cash Equivalents	171,603	505,459

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

tDKK			Group 2021	Group 2020
Financial Institution	Rating Agency	Rating		
BBH *	Fitch	A+	9,376	44,595
Danske Bank	Moody's	A1	147,553	455,786
Nordea Bank	Moody's	Aa3	11,864	4,016
Other banks	Moody's/Fitch	-	2,810	1,062
			171,603	505,459

* 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 14 respectively.

22. Related parties

The following transactions were carried through with related parties:

tDKK	Group 2021	Group 2020
Transaction with TBL Holding ApS:		
Accounts Receivables	-	(4,045)
Accounts Payables	15	3,613
Other income	-	1,841
Other expenses	-	(328)
Transactions with other related parties:		
Account Receivables	104,343	-
Accounts Payables	(46,257)	(25)
Other income	(99,509)	-
Other expenses	(1,745)	(234)

tDKK	Parent 2021	Parent 2020
Transactions with other related parties:		
Loans granted/received/repaid	(88,507)	(25,976)
Subsidiaries	*(100,326)*	*(27,860)*
Joint Ventures	*7,930*	-
Associates	*985*	*322*
Other	*2,904*	*1,562*
Accounts Receivables	131,309	54,168
Subsidiaries	*77,156*	*57,072*
Joint Ventures	*5,459*	*(30)*
Associates	-	-
Other	*48,694*	*(2,874)*
Accounts Payables	(89,268)	(43,513)
Subsidiaries	(89,268)	(46,861)
Joint Ventures	-	-
Associates	-	(180)
Other	-	3,528
Interest received	718	(15)
Subsidiaries	558	(15)
Joint Ventures	95	0
Associates	11	-
Other	54	-
Interest paid	(7,570)	(2,081)
Subsidiaries	*(7,570)*	*(2,081)*
Joint Ventures	-	-
Associates	-	-
Other	-	-
Revenue	251,971	222,603
Subsidiaries	*139,019*	*215,544*
Joint Ventures	*(1,533)*	*(1,932)*
Associates	-	-
Other	*114,485*	*8,992*
Other expenses	(4,895)	(32,623)
Subsidiaries	*(4,717)*	*(31,810)*
Joint Ventures	-	*(50)*
Associates	-	*(221)*
Other	*(178)*	*(542)*

As regards to the Key Management Compensation reference is made to note 2 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, Højmarksvej 26, 8270 Højbjerg
- NREP Partner Holding ApS, Højmarkvej 26, 8270 Højbjerg
- NREP Partners Investment ApS, Højmarkvej 26, 8270 Højbjerg
- Novo Holdings A/S, Tuborg Havnevej 19, 2900 Hellerup

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

23. 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 8,4m into 2150 Urban Tech Fund.

The Group guarantees as a surety guarantor as a party to the obligations that NREP-TF ApS assumes in accordance with the Tunnelfabrikken Consortium Agreement.

Parent

NREP A/S has issued a letter of comfort for selected subsidiary companies in order to be in compliance with going concern requirement.

24. Audit Fee

	Group		Parent	
tDKK	2021	2020	2021	2020
Audit fee, PWC	1,246	676	575	361
Other non-audit fees	230	88	55	32
Tax advisory fee	207	150	82	7
Total receivables	**1,682**	**913**	**712**	**399**

25. Provisions

We have since December 2020 been in a dispute with the tax Authorities in Sweden concerning VAT treatment and have in early 2022 received a ruling concerning 2018 and 2019. The ruling was in line with our expectations and provision. The remaining provision for VAT treatment is related to reverse charge and VAT leakage concerning our management fee.

26. Subsequent events

January 2022:
In January, NREP completed the planned first close in NSF V at EUR 1 billion. It is the largest first close of a fund ever in NREP's history and the final is expected to happen before year-end 2022. NSF V continues NREP's value-add approach within its key strategies, investing in the Nordics and Northern Europe.

NREP raises EUR 608 million in additional funding for NIP, the open-ended core plus fund. The second closing has grown the fund by 50%, taking the total funds raised to EUR 1.6 billion, with two thirds of commitments comprising top-ups from existing investors, with the remainder from new institutions.

Internally, NREP launched a new vision to become a global thought leader of urban ecosystems. Building on the company's solid experience and track record in real estate, the vision entails a wider investment focus on the 'urban stack' through new, adjacent product lines. With Technology and Credit live already, Urban Infrastructure is now being explored.

February 2022:

The Russian invasion of Ukraine has been a devastating event and foremost a major human tragedy. NREP is committed to provide humanitarian aid to the people of Ukraine. NREP has donated EUR 1 million to relief efforts as a company (not from funds, as well as EUR 25 thousand of additional support to UNICEF, PAH and Hellebro through NREP's internal employee fundraising where NREP matched the employee donations. NREP has additionally provided storage facilities for UNICEF in Poland, housing for refugees in our UMEUS site in Denmark, and have opened a volunteer job option support for our employees.

To date, the war has had a very limited direct business impact on NREP. NREP does not have any business in Russia, Belarus or Ukraine. NREP do not do business with counterparties on sanctions list: NREP routinely check the background of NREP's new counterparties and take active measure if our current counterparties are added to the sanctions list.

The greatest impact from the war so far has been the rapid construction cost inflation across a broad range of building materials and energy where Russia has been a major supplier. Our preliminary estimate is approximately 10% increase in overall construction costs at the moment, however with differences by country and uncertainty on the outlook. NREP are carefully analyzing the cost development. Based on analysis of our committed development projects, NREP do not expect major delays or direct losses from increased construction costs. NREP has started the work to increase the capital buffers to further mitigate the risk. NREP has also taking a more cautious approach to new development projects, especially given the situation where contractors are hesitant to commit to fixed-price turnkey contracts.

In Poland, NREP's core country closest to the conflict, the investment activity remains strong. NREP has seen no indication of yield softening in our key segments Living and Logistics, and NREP are seeing a trend of robust rent increases taking effect. Polish development projects are facing similar construction material cost increases to other markets, potentially delaying mainly new project starts. Compared to NREP's Nordic markets, the Polish construction market has a substantial share of Ukrainian workers. However, NREP expects no major delay risks associated with this as to date only approximately 10% have left the country since the war started.

While NREP anticipate the war in Ukraine to have a moderate impact on our investment activity during 2022 (mainly affecting development projects), NREP are expecting a larger effect from the increasing interest rates. NREP see the higher interest rates, combined with the high real estate asset valuation, to result in lower loan-to-cost (LTC) and loan-to-value (LTV) levels provided by the banks, thus reducing the return potential for new investments currently. In this market environment, NREP's focus is on securing successful exits for the current investments in the exit pipeline as well as carefully managing the financing risk for new commitments. Overall, NREP are expecting a slower pace of capital deployment in the coming months due to increasing interest rates and cost inflation.

Further, in February, Heather Mulahasani joined NREP (from Goldman Sachs) as Partner to explore adjacent infrastructure investment opportunities.

April 2022:

In April Jens Stender joined NREP as Partner to drive international growth agenda.

27. 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.

28. Basis of preparation

The Consolidated Financial Statements of the NREP Group for 2021 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.

29. Accounting Policies for the Group

Statement of compliance

The financial statements of the Group for 2021 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 2021 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 it's carrying value, and then recognises the loss within "Income from investments in associates related to NREP managed funds", "Income from investments in associates" or "Income from investments in 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 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	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 8.

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 13.

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 13) 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 21.

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 2021. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

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 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 was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022. The amendment applies to annual reporting periods beginning on or after 1 April 2021. However, the Group has not received Covid-19-related rent concessions but plans to apply the practical expedient if it becomes applicable within allowed period of application.

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.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a 'directly related cost approach'. The costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The amendments must be applied prospectively to contracts for which an entity has not yet fulfilled all of its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). The amendments are not expected to have a material impact on the Group.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the Board issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements (the PS), in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies And
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

The amendments are effective for annual reporting periods beginning on or after 1 January 2023. These amendments will have limited impact on the consolidated financial statements, nor is there expected to be any future impact to the Group.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the Board issued amendments to IAS 8, in which it introduces a new definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023. These amendments will have limited impact on the consolidated financial statements, nor is there expected to be any future impact to the Group.

30. 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 8 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
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.

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).

31. 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 large enterprises of reporting class C.

The Parent Company Financial Statements for 2021 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. Further, income from associates holding such investments is presented as a separate item within profit before financial items.

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.