
Distreal NSF 1 Greve ApS

Southamptongade 4, DK-2150 Nordhavn

Annual Report for 2022

CVR No. 36 93 76 88

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 9/6 2023

Kasper Juulsgaard
Sørensen
Chairman of the
general meeting



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Management's statement

The Executive Board has today considered and adopted the Financial Statements of Distreal NSF 1 Greve ApS for the financial year 1 January - 31 December 2022.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and of the results of the Company operations for 2022.

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

Copenhagen, 9 June 2023

Executive Board

Henrik Skak Bender

Rune Højby Kock

Stine Seneberg

Thomas Ebbe Riise-Jakobsen

Independent Auditor's report

To the shareholder of Distreal NSF 1 Greve ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Distreal NSF 1 Greve ApS for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Independent Auditor's report

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

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

Esbjerg, 9 June 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jannick Kjersgaard

State Authorised Public Accountant

mne29440

Hans Baunsgaard Eskildsen

State Authorised Public Accountant

mne45827

Company information

The Company	Distreal NSF 1 Greve ApS Southamptongade 4 DK-2150 Nordhavn CVR No: 36 93 76 88 Financial period: 1 January - 31 December Incorporated: 8 June 2015 Financial year: 8th financial year Municipality of reg. office: Copenhagen
Executive board	Henrik Skak Bender Rune Højby Kock Stine Seneberg Thomas Ebbe Riise-Jakobsen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Esbjerg Brygge 28, 2. 6700 Esbjerg

Income statement 1 January - 31 December

	Note	2022	2021
		DKK	DKK
Gross profit before value adjustments		8,093,575	8,579,820
Value adjustments of assets held for investment	2	49,927,654	31,375,000
Gross profit/loss after value adjustments		58,021,229	39,954,820
Financial income	4	36,644	0
Financial expenses	5	-2,540,722	-2,743,460
Profit/loss before tax		55,517,151	37,211,360
Tax on profit/loss for the year	6	-12,394,421	-8,967,408
Net profit/loss for the year		43,122,730	28,243,952

Distribution of profit

	2022	2021
	DKK	DKK
Proposed distribution of profit		
Retained earnings	43,122,730	28,243,952
	43,122,730	28,243,952

Balance sheet 31 December

Assets

	Note	2022 DKK	2021 DKK
Investment properties		395,000,000	342,000,000
Property, plant and equipment	7	395,000,000	342,000,000
Receivables from group enterprises		5,035,556	0
Fixed asset investments		5,035,556	0
Fixed assets		400,035,556	342,000,000
Trade receivables		0	4,875,164
Other receivables	8	12,074,991	1,641,802
Corporation tax		546,057	0
Prepayments		10,640	127,380
Receivables		12,631,688	6,644,346
Cash at bank and in hand		53,713,572	10,685,731
Current assets		66,345,260	17,330,077
Assets		466,380,816	359,330,077

Balance sheet 31 December

Liabilities and equity

	Note	2022 DKK	2021 DKK
Share capital		981,105	981,105
Reserve for hedging transactions		9,384,422	923,807
Retained earnings		189,122,672	145,999,942
Equity		199,488,199	147,904,854
Provision for deferred tax		80,125,121	65,901,910
Provisions		80,125,121	65,901,910
Mortgage loans		165,259,641	113,978,632
Payables to group enterprises		10,895,007	16,351,474
Deposits		7,694,715	0
Other payables		83,454	0
Long-term debt	9	183,932,817	130,330,106
Trade payables		1,018,803	2,220,704
Payables to group enterprises		0	5,154,960
Payables to group enterprises relating to corporation tax		1,104,136	0
Deposits		0	7,500,000
Other payables	9, 8	711,740	306,903
Deferred income		0	10,640
Short-term debt		2,834,679	15,193,207
Debt		186,767,496	145,523,313
Liabilities and equity		466,380,816	359,330,077

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Statement of changes in equity

	Share capital	Reserve for hedging transactions	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	981,105	923,807	145,999,942	147,904,854
Fair value adjustment of hedging instruments, end of year	0	10,846,942	0	10,846,942
Tax on adjustment of hedging instruments for the year	0	-2,386,327	0	-2,386,327
Net profit/loss for the year	0	0	43,122,730	43,122,730
Equity at 31 December	981,105	9,384,422	189,122,672	199,488,199

Notes to the Financial Statements

1. Key activities

The Company's key activity is to conduct real estate business, including owning, operating, leasing and managing properties.

2. Value adjustments of assets held for investment

	<u>2022</u>	<u>2021</u>
	DKK	DKK
Value adjustments of investment properties	52,896,404	47,000,000
Given lease incentives	-2,968,750	-15,625,000
	<u>49,927,654</u>	<u>31,375,000</u>

3. Staff

	<u>2022</u>	<u>2021</u>
Average number of employees	0	0

4. Financial income

	<u>2022</u>	<u>2021</u>
	DKK	DKK
Interest received from group enterprises	35,556	0
Other financial income	1,088	0
	<u>36,644</u>	<u>0</u>

5. Financial expenses

	<u>2022</u>	<u>2021</u>
	DKK	DKK
Interest paid to group enterprises	817,533	1,350,720
Other financial expenses	1,711,738	1,389,325
Exchange adjustments, expenses	11,451	3,415
	<u>2,540,722</u>	<u>2,743,460</u>

Notes to the Financial Statements

	<u>2022</u>	<u>2021</u>
	DKK	DKK
6. Income tax expense		
Current tax for the year	1,104,136	0
Deferred tax for the year	14,223,211	8,476,403
Adjustment of tax concerning previous years	-546,599	780,908
	<u>14,780,748</u>	<u>9,257,311</u>
thus distributed:		
Income tax expense	12,394,421	8,967,408
Tax on equity movements	2,386,327	289,903
	<u>14,780,748</u>	<u>9,257,311</u>

7. Assets measured at fair value

	<u>Investment properties</u>
	DKK
Cost at 1 January	206,877,910
Additions for the year	103,596
Cost at 31 December	<u>206,981,506</u>
Value adjustments at 1 January	135,122,090
Revaluations for the year	52,896,404
Value adjustments at 31 December	<u>188,018,494</u>
Carrying amount at 31 December	<u>395,000,000</u>

Assumptions underlying the determination of fair value of investment properties

Investment properties are measured at fair value. The fair value is calculated by using generally accepted valuation methods (DCF calculations) based on Management's assumptions regarding future cash flows, required rate of return etc.

	<u>2022</u>
Exit yield	4,65%
Average WACC	7,79%

Notes to the Financial Statements

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

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

8. Derivative financial instruments

Derivative financial instruments contracts in the form of have been concluded. At the balance sheet date, the fair value of derivative financial instruments amounts to:

	<u>2022</u>	<u>2021</u>
	DKK	DKK
Assets	12,031,313	1,184,370

The Company has entered into an interest-rate hedging contract. The principal of the hedging instrument is DKK 133,840,000 with a fair value of DKK 12,031,313 as of 31 December 2022. The Maturity date of the hedging instrument is 30 December 2027.

Notes to the Financial Statements

9. Long-term debt

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

The debt falls due for payment as specified below:

	<u>2022</u>	<u>2021</u>
	DKK	DKK
Mortgage loans		
After 5 years	148,069,960	104,422,124
Between 1 and 5 years	<u>17,189,681</u>	<u>9,556,508</u>
Long-term part	165,259,641	113,978,632
Within 1 year	<u>0</u>	<u>0</u>
	<u>165,259,641</u>	<u>113,978,632</u>
Payables to group enterprises		
After 5 years	0	16,351,474
Between 1 and 5 years	<u>10,895,007</u>	<u>0</u>
Long-term part	10,895,007	16,351,474
Within 1 year	0	0
Other short-term debt to group enterprises	<u>0</u>	<u>5,154,960</u>
Short-term part	0	5,154,960
	<u>10,895,007</u>	<u>21,506,434</u>
Deposits		
After 5 years	<u>7,694,715</u>	<u>0</u>
Long-term part	7,694,715	0
Within 1 year	0	7,500,000
Other deposits	<u>0</u>	<u>0</u>
Short-term part	0	7,500,000
	<u>7,694,715</u>	<u>7,500,000</u>
Other payables		
After 5 years	0	0
Between 1 and 5 years	<u>83,454</u>	<u>0</u>
Long-term part	83,454	0
Within 1 year	0	0
Other short-term payables	<u>711,740</u>	<u>306,903</u>
	<u>795,194</u>	<u>306,903</u>

Notes to the Financial Statements

2022	2021
DKK	DKK

10. Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with mortgage credit institutes:

Mortgage deeds registered to the mortgagor totalling DKK 189,825k, providing security on investment properties with a carrying amount of	395,000,000	342,000,000
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Other contingent liabilities

The Danish group companies are jointly and severally liable for tax on the Group's jointly taxed income as well as for Danish withholding taxes through dividend tax and tax on unearned income. The total amount of tax payables is included in the Annual Report of the Union BidCo 2 ApS that is the administration Company in relation to the joint taxation.

11. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

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

Name	Place of registered office
NREP Income+ Fund SCSp	Luxembourg

Notes to the Financial Statements

12. Accounting policies

The Annual Report of Distreal NSF 1 Greve ApS for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2022 are presented in DKK.

Recognition and measurement

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

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

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

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

Translation policies

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

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

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

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as "Other receivables" and "Other payables", respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting, see below.

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Notes to the Financial Statements

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in the fair value reserve under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Income statement

Rental income

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

Revenue is recognised exclusive of VAT and net of discounts.

Other external expenses

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

Gross profit

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

Financial income and expenses

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

Tax on profit/loss for the year

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

The Company is jointly taxed with Danish group enterprises. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance sheet

Investment properties

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

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

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

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

Notes to the Financial Statements

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

Other fixed asset investments

Other fixed asset investments consist of receivables which are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Prepayments

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

Deferred tax assets and liabilities

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

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

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

Current tax receivables and liabilities

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

Financial debts

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

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

Deferred income

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