
RetReal NSF II Herlev ApS

Southamptongade 4, DK-2150 Nordhavn

Annual Report for 2022

CVR No. 37 39 83 57

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

Kent Juhl Nielsen
Chairman of the
general meeting



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Management's statement

The Executive Board has today considered and adopted the Financial Statements of RetReal NSF II Herlev 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.

Nordhavn, 14 June 2023

Executive Board

Henrik Skak Bender

Rune Højby Kock

Stine Seneberg

Thomas Ebbe Riise-Jakobsen

Independent Auditor's report

To the shareholders of RetReal NSF II Herlev 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 RetReal NSF II Herlev 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.

Trekantområdet, 14 June 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Lars Almskou Ohmeyer

State Authorised Public Accountant

mne24817

Morten Jacobsen

State Authorised Public Accountant

mne44140

Company information

The Company	RetReal NSF II Herlev ApS Southamptongade 4 DK-2150 Nordhavn CVR No: 37 39 83 57 Financial period: 1 January - 31 December Incorporated: 26 January 2016 Financial year: 7th 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 Herredsvej 32 7100 Vejle
Bankers	Danske Bank Lersø Parkallé 100 DK-2100 København Ø SEB Kungsträdgårdsgatan 8 SE - 106 40 Stockholm

Income statement 1 January - 31 December

	Note	2022	2021
		DKK	DKK
Gross loss before value adjustments		-1,713,169	-5,652,019
Value adjustments of assets held for investment		-58,979,530	149,826,553
Gross profit/loss after value adjustments		-60,692,699	144,174,534
Financial income		18,686	0
Financial expenses	3	-193,522	-281,538
Profit/loss before tax		-60,867,535	143,892,996
Tax on profit/loss for the year	4	12,847,520	-31,656,458
Net profit/loss for the year		-48,020,015	112,236,538

Distribution of profit

	2022	2021
	DKK	DKK
Proposed distribution of profit		
Retained earnings	-48,020,015	112,236,538
	-48,020,015	112,236,538

Balance sheet 31 December

Assets

	Note	2022 DKK	2021 DKK
Investment properties		1,064,911,338	913,804,193
Property, plant and equipment	5	<u>1,064,911,338</u>	<u>913,804,193</u>
Fixed assets		<u>1,064,911,338</u>	<u>913,804,193</u>
Trade receivables		194,436	203,080
Other receivables		6,704,513	66,596
Corporation tax receivable from group enterprises		913,083	0
Prepayments		7,244	1,397,236
Receivables		<u>7,819,276</u>	<u>1,666,912</u>
Cash at bank and in hand		<u>13,512,744</u>	<u>22,887,928</u>
Current assets		<u>21,332,020</u>	<u>24,554,840</u>
Assets		<u>1,086,243,358</u>	<u>938,359,033</u>

Balance sheet 31 December

Liabilities and equity

	Note	2022 DKK	2021 DKK
Share capital		50,000,001	50,000,001
Retained earnings		68,427,091	116,447,106
Equity		118,427,092	166,447,107
Provision for deferred tax		22,483,764	31,900,176
Provisions		22,483,764	31,900,176
Credit institutions		0	624,852,971
Payables to group enterprises		220,968,697	92,848,409
Deposits		1,140,179	1,118,390
Long-term debt	6	222,108,876	718,819,770
Credit institutions	6	678,899,415	0
Trade payables		43,822,879	18,858,926
Other payables		501,332	2,333,054
Short-term debt		723,223,626	21,191,980
Debt		945,332,502	740,011,750
Liabilities and equity		1,086,243,358	938,359,033
Key activities	1		
Staff	2		
Contingent assets, liabilities and other financial obligations	7		
Related parties	8		
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Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	50,000,001	116,447,106	166,447,107
Net profit/loss for the year	0	-48,020,015	-48,020,015
Equity at 31 December	50,000,001	68,427,091	118,427,092

Notes to the Financial Statements

1. Key activities

The Company's key activity is to purchase and sell properties, administrate and manage properties and develop properties.

2. Staff

Average number of employees

	<u>2022</u>	<u>2021</u>
	0	0

3. Financial expenses

Other financial expenses

Exchange adjustments, expenses

	<u>2022</u>	<u>2021</u>
	DKK	DKK
	173,554	271,469
	19,968	10,069
	<u>193,522</u>	<u>281,538</u>

4. Income tax expense

Current tax for the year

Deferred tax for the year

Adjustment of tax concerning previous years

Adjustment of deferred tax concerning previous years

	<u>2022</u>	<u>2021</u>
	DKK	DKK
	-913,083	0
	-13,390,841	31,686,697
	0	-30,239
	1,456,404	0
	<u>-12,847,520</u>	<u>31,656,458</u>

Notes to the Financial Statements

5. Assets measured at fair value

	Investment properties
	DKK
Cost at 1 January	766,650,618
Additions for the year	210,086,675
Cost at 31 December	976,737,293
Value adjustments at 1 January	147,153,575
Revaluations for the year	-58,979,530
Value adjustments at 31 December	88,174,045
Carrying amount at 31 December	1,064,911,338
Interest expenses recognised as part of cost	62,493,224

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.

	2022
Average WACC	6,31% - 7,00%
Exit Yield	4,31% - 5,08%

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.

Notes to the Financial Statements

6. 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
Credit institutions		
After 5 years	0	0
Between 1 and 5 years	0	624,852,971
Long-term part	<u>0</u>	<u>624,852,971</u>
Within 1 year	678,899,415	0
Short-term part	<u>678,899,415</u>	<u>0</u>
	678,899,415	624,852,971
Payables to group enterprises		
After 5 years	0	92,848,409
Between 1 and 5 years	220,968,697	0
Long-term part	<u>220,968,697</u>	<u>92,848,409</u>
Within 1 year	0	0
	<u>220,968,697</u>	<u>92,848,409</u>
Deposits		
After 5 years	0	0
Between 1 and 5 years	1,140,179	1,118,390
Long-term part	<u>1,140,179</u>	<u>1,118,390</u>
Within 1 year	0	0
Other deposits	0	0
Short-term part	<u>0</u>	<u>0</u>
	1,140,179	1,118,390

Notes to the Financial Statements

2022	2021
DKK	DKK

7. Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with bankers:

Mortgage deeds totalling DKK 866.903.000 providing security on land and buildings at a carrying amount of:	1,064,384,595	913,804,193
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Other contingent liabilities

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Komplementarselskabet NSF II Denmark ApS, which is the management company of the joint taxation purposes.

8. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company:

Name	Place of registered office
NREP Nordic Strategies Fund II LP	Luxembourg

Notes to the Financial Statements

9. Accounting policies

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

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2022 are presented in DKK.

Recognition and measurement

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

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

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

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

Translation policies

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

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

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

Income statement

Net sales

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 measured at the consideration received and is recognised exclusive of VAT and net of discounts.

Other external expenses

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

Gross loss

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.

Notes to the Financial Statements

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Financial income and expenses

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

Tax on profit/loss for the year

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

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

Balance sheet

Investment properties

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

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

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

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

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.

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.

Discounted Cash Flow model

The fair value of investment properties has been determined at 31 December 2022 for each property by using a Discounted Cash Flow model under which expected future cash flows are discounted to present value. The calculations are based on property budgets for the coming years. Allowance has been made for developments in rentals, vacancies, operating expenses, maintenance and administration, etc. The individual, budgeted cash flows are discounted at an individually fixed discount rate added a terminal value. The value thus calculated is adjusted for any non-operating assets such as cash and cash equivalents, deposits, etc if they are not shown separately in the balance sheet.

Notes to the Financial Statements

The value thus calculated is adjusted for any non-operating assets such as cash and cash equivalents, deposits, etc if they are not shown separately in the balance sheet.

Receivables

Receivables are 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 on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans, such as mortgage loans and loans from credit institutions, 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.