
RetReal NSF II Herlev ApS

Southamptongade 4, DK-2150 Nordhavn

Annual Report for 2023

CVR No. 37 39 83 57

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 31/5 2024

Stine Seneberg
Chairman of the
general meeting



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Management's statement

The Executive Board has today considered and adopted the Annual Report of RetReal NSF II Herlev ApS for the financial year 1 January - 31 December 2023.

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 2023 of the Company and of the results of the Company operations for 2023.

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

Nordhavn, 31 May 2024

Executive Board

Mohamad Awad

Toke Sundenæs Clausen

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 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 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 2023, 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, 31 May 2024

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: 8th financial year Municipality of reg. office: Copenhagen
Executive Board	Mohamad Awad Toke Sundenæs Clausen Stine Seneberg Thomas Ebbe Riise-Jakobsen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Herredsvej 32 DK-7100 Vejle
Bankers	Danske Bank Lersø Parkallé 100 DK-2100 København Ø SEB Kungsträdgårdsgatan 8 SE - 106 40 Stockholm Nordea Helgeshøj Alle 33 2630 Taastrup

Income statement 1 January - 31 December

	Note	2023	2022
		DKK	DKK
Gross profit/loss before value adjustments		7,771,132	-1,713,169
Value adjustments of assets held for investment		-225,071,825	-58,979,530
Gross profit/loss after value adjustments		-217,300,693	-60,692,699
Financial income		585,640	18,686
Financial expenses	3	-6,935	-193,522
Profit/loss before tax		-216,721,988	-60,867,535
Tax on profit/loss for the year	4	24,423,667	12,847,520
Net profit/loss for the year		-192,298,321	-48,020,015
 Distribution of profit			
		2023	2022
		DKK	DKK
Proposed distribution of profit			
Retained earnings		-192,298,321	-48,020,015
		-192,298,321	-48,020,015

Balance sheet 31 December

Assets

	Note	2023	2022
		DKK	DKK
Investment properties		1,217,770,028	1,064,911,338
Property, plant and equipment	5	1,217,770,028	1,064,911,338
Fixed assets		1,217,770,028	1,064,911,338
Trade receivables		11,934	194,436
Other receivables		20,070,494	6,704,513
Corporation tax receivable from group enterprises		2,852,986	913,083
Prepayments		182,155	7,244
Receivables		23,117,569	7,819,276
Cash at bank and in hand		41,146,217	13,512,744
Current assets		64,263,786	21,332,020
Assets		1,282,033,814	1,086,243,358

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		DKK	DKK
Share capital		50,000,001	50,000,001
Retained earnings		-123,871,230	68,427,091
Equity		-73,871,229	118,427,092
Provision for deferred tax		0	22,483,764
Provisions		0	22,483,764
Payables to group enterprises		503,254,970	220,968,697
Deposits		0	1,140,179
Long-term debt	6	503,254,970	222,108,876
Credit institutions		759,643,325	678,899,415
Trade payables		84,615,669	43,822,879
Deposits	6	8,391,079	0
Other payables		0	501,332
Short-term debt		852,650,073	723,223,626
Debt		1,355,905,043	945,332,502
Liabilities and equity		1,282,033,814	1,086,243,358
Key activities	1		
Staff	2		
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Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	50,000,001	68,427,091	118,427,092
Net profit/loss for the year	0	-192,298,321	-192,298,321
Equity at 31 December	50,000,001	-123,871,230	-73,871,229

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

	2023	2022
	0	0

3. Financial expenses

Other financial expenses

Exchange adjustments, expenses

	2023 DKK	2022 DKK
Other financial expenses	424	173,554
Exchange adjustments, expenses	6,511	19,968
	<u>6,935</u>	<u>193,522</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

	2023 DKK	2022 DKK
Current tax for the year	0	-913,083
Deferred tax for the year	-22,483,764	-13,390,841
Adjustment of tax concerning previous years	-1,939,903	0
Adjustment of deferred tax concerning previous years	0	1,456,404
	<u>-24,423,667</u>	<u>-12,847,520</u>

Notes to the Financial Statements

5. Assets measured at fair value

	<u>Investment properties</u>
	DKK
Cost at 1 January	976,737,293
Additions for the year	<u>377,930,515</u>
Cost at 31 December	<u>1,354,667,808</u>
Value adjustments at 1 January	88,174,045
Revaluations for the year	<u>-225,071,825</u>
Value adjustments at 31 December	<u>-136,897,780</u>
Carrying amount at 31 December	<u>1,217,770,028</u>
Interest expenses recognised as part of cost	<u>131,894,217</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.

	<u>2023</u>
	DKK
Average WACC	7,61%
Average inflation assumption	2,00%
Exit yield	5,61%
Budget period	10
Terminal period	11
Average vacancy, budget period	0,0%
Average rent increase, budget period	4,72%
Sqm	15.227
Rental income per sqm, year 1	1.801

The fair value of investment properties at 31 December 2023 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

	<u>2023</u>	<u>2022</u>
	DKK	DKK
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:		
Payables to group enterprises		
After 5 years	503,254,970	0
Between 1 and 5 years	<u>0</u>	<u>220,968,697</u>
Long-term part	503,254,970	220,968,697
Within 1 year	<u>0</u>	<u>0</u>
	<u>503,254,970</u>	<u>220,968,697</u>
Deposits		
After 5 years	0	0
Between 1 and 5 years	<u>0</u>	<u>1,140,179</u>
Long-term part	0	1,140,179
Within 1 year	<u>8,391,079</u>	<u>0</u>
	<u>8,391,079</u>	<u>1,140,179</u>
	<u>2023</u>	<u>2022</u>
	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 869.378.000 providing security on land and buildings at a carrying amount of:	1,217,770,028	1,064,911,338
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.		

Notes to the Financial Statements

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:

<u>Name</u>	<u>Place of registered office</u>
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 2023 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 2023 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.

Income statement

Revenue

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 profit/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

Property, plant and equipment

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 valuation is not based on the statement from an external 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. The assumptions applied are disclosed in the notes.

Discounted Cash Flow model

The fair value of investment properties has been determined at 31 December 2023 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.

Impairment of fixed assets

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

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

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 liabilities

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.