
NSFIII Den Siljengade ApS

Southamptongade 4, DK-2150 Nordhavn

Annual Report for 2022

CVR No. 39 51 65 19

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 7/6 2023

Nicolai Bruhn 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 NSFIII Den Siljengade 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, 7 June 2023

Executive Board

Henrik Skak Bender

Rune Højby Kock

Stine Seneberg Winkel

Thomas Ebbe Riise-Jakobsen

Independent Auditor's report

To the shareholder of NSFIII Den Siljengade 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 NSFIII Den Siljengade 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.

Herning, 7 June 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Poul Spencer Poulsen

State Authorised Public Accountant

mne23324

Company information

The Company	NSFIII Den Siljengade ApS Southamptongade 4 DK-2150 Nordhavn CVR No: 39 51 65 19 Financial period: 1 January - 31 December Incorporated: 23 April 2018 Financial year: 5th financial year Municipality of reg. office: Copenhagen
Executive board	Henrik Skak Bender Rune Højby Kock Stine Seneberg Winkel Thomas Ebbe Riise-Jakobsen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Platanvej 4 7400 Herning

Income statement 1 January - 31 December

	Note	2022	2021
		DKK	DKK
Gross profit/loss before value adjustments		3,220,857	-3,003,191
Value adjustments of assets held for investment		40,281,727	21,280,915
Gross profit/loss after value adjustments		43,502,584	18,277,724
Financial expenses	3	-22,135,694	-8,850,878
Profit/loss before tax		21,366,890	9,426,846
Tax on profit/loss for the year	4	-4,400,370	-2,073,910
Net profit/loss for the year		16,966,520	7,352,936

Distribution of profit

	2022	2021
	DKK	DKK
Proposed distribution of profit		
Retained earnings	16,966,520	7,352,936
	16,966,520	7,352,936

Balance sheet 31 December

Assets

	Note	2022 DKK	2021 DKK
Investment properties		382,007,215	342,000,000
Property, plant and equipment	5	382,007,215	342,000,000
Fixed assets		382,007,215	342,000,000
Trade receivables		0	1,844,719
Other receivables		4,770,040	68,056
Corporation tax receivable from group enterprises		353,452	0
Prepayments		0	130,963
Receivables		5,123,492	2,043,738
Cash at bank and in hand		5,802,509	2,901,362
Current assets		10,926,001	4,945,100
Assets		392,933,216	346,945,100

Balance sheet 31 December

Liabilities and equity

	Note	2022 DKK	2021 DKK
Share capital		150,000	150,000
Retained earnings		64,010,333	47,043,813
Equity		64,160,333	47,193,813
Provision for deferred tax		11,619,745	6,650,031
Provisions		11,619,745	6,650,031
Credit institutions		193,019,985	0
Payables to group enterprises		106,985,363	98,911,148
Long-term debt	6	300,005,348	98,911,148
Credit institutions	6	7,293,562	0
Trade payables		4,707,481	582,246
Payables to group enterprises		986,000	0
Deposits		4,160,747	1,268,750
Other payables		0	192,339,112
Short-term debt		17,147,790	194,190,108
Debt		317,153,138	293,101,256
Liabilities and equity		392,933,216	346,945,100
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	150,000	47,043,813	47,193,813
Net profit/loss for the year	0	16,966,520	16,966,520
Equity at 31 December	150,000	64,010,333	64,160,333

Notes to the Financial Statements

1. Key activities

The Company's key activity is to own, develop and rent out the property on Siljengade 6 and 8 along with any other activities which, in the opinion of the management, is related to this.

2. Staff

Average number of employees

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

3. Financial expenses

Interest paid to group enterprises

Other financial expenses

Exchange adjustments, expenses

	<u>2022</u>	<u>2021</u>
	DKK	DKK
	8,296,215	3,667,594
	13,834,724	5,176,374
	4,755	6,910
	<u>22,135,694</u>	<u>8,850,878</u>

4. Income tax expense

Current tax for the year

Deferred tax for the year

Adjustment of tax concerning previous years

	<u>2022</u>	<u>2021</u>
	DKK	DKK
	-353,452	0
	4,969,714	2,073,910
	-215,892	0
	<u>4,400,370</u>	<u>2,073,910</u>

Notes to the Financial Statements

5. Assets measured at fair value

	Investment properties
	DKK
Cost at 1 January	299,556,914
Transfers for the year	-274,512
Cost at 31 December	<u>299,282,402</u>
Value adjustments at 1 January	42,443,086
Revaluations for the year	<u>40,281,727</u>
Value adjustments at 31 December	<u>82,724,813</u>
Carrying amount at 31 December	<u>382,007,215</u>
Interest expenses recognised as part of cost	44,146,491

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 expectations for future cash flows, return requirements, etc. The fair value adjustment for the year has been recognised in the Income Statement

	<u>2022</u>
Average WACC	5,86%
Exit yield	3,86%

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	174,280,985	0
Between 1 and 5 years	18,739,000	0
Long-term part	<u>193,019,985</u>	<u>0</u>
Within 1 year	0	0
Other short-term debt to credit institutions	7,293,562	0
Short-term part	<u>7,293,562</u>	<u>0</u>
	<u>200,313,547</u>	<u>0</u>
Payables to group enterprises		
After 5 years	106,985,363	98,911,148
Long-term part	<u>106,985,363</u>	<u>98,911,148</u>
Within 1 year	0	0
Other short-term debt to group enterprises	986,000	0
Short-term part	<u>986,000</u>	<u>0</u>
	<u>107,971,363</u>	<u>98,911,148</u>
	<u>2022</u>	<u>2021</u>
	DKK	DKK

7. 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 200,132k, providing security on investment properties with a carrying amount of	382,007,215	342,000,000
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Notes to the Financial Statements

Other contingent liabilities

The 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 NSF III Denmark Advisory 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, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

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 of the largest and smallest group:

<u>Name</u>	<u>Place of registered office</u>
NREP Nordic Strategies Fund III LP	Luxembourg

Notes to the Financial Statements

9. Accounting policies

The Annual Report of NSFIII Den Siljangade 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 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/loss

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

Notes to the Financial Statements

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 investment properties 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 properties are recognised in cost over the construction period.

When the fair value can be measured reliably, the property is measured at fair value less cost to complete.

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.

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

Impairment of fixed assets

The carrying amounts of property, plant and equipment 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 measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

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, including the tax base of tax loss carry-forwards, 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

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