



NIO Real Estate I K/S

Kronprinsessegade 8, 1.
1306 Copenhagen
CVR No. 41025565

Annual report 2023

The Annual General Meeting adopted the annual report on 07.06.2024

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Rana Salame

Chairman of the General Meeting

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Entity details

Entity

NIO Real Estate I K/S
Kronprinsessegade 8, 1.
1306 Copenhagen

Business Registration No.: 41025565
Date of foundation: 15.12.2019
Registered office: Copenhagen
Financial year: 01.01.2023 - 31.12.2023

Executive Board

Michael Moth Greve
Christian Jung Meinicke

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Executive Board has today considered and approved the annual report of NIO Real Estate I K/S for the financial year 01.01.2023 - 31.12.2023.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

Furthermore, the supplementary report has been prepared in accordance with the Sustainable Finance Disclosure Regulation (SFDR) and contains a fair review of the affairs and conditions referred to therein.


We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 14.05.2024

Executive Board

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Michael Møth Greve

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Christian Jung Meinicke

Independent auditor's report

To the Limited Partners of NIO Real Estate I K/S

Opinion

We have audited the financial statements of NIO Real Estate I K/S for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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.

Statement on the management commentary

Management is responsible for the management commentary, as well as for the supplementary report on disclosures in accordance with the SFDR etc, hereinafter referred to as "the supplementary report".

Our opinion on the financial statements does not cover the management commentary or the supplementary report, 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 the management commentary and the supplementary report and, in doing so, consider whether the management commentary and the supplementary report are materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.


Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements in the relevant law and regulations.


We did not identify any material misstatement of the management commentary or the supplementary report.

Copenhagen, 14.05.2024

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

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Michael Thorø Larsen
State Authorised Public Accountant
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Rasmus Grynderup Kiær Steffensen
State Authorised Public Accountant
Identification No (MNE) mne44143

Management commentary

Primary activities

The object of the limited partnership is to generate income and capital appreciation by making investments.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2023

	Notes	2023 EUR'000	2022 EUR'000
Gross profit/loss		(369)	(351)
Fair value adjustments of other investment assets		(3,681)	(136)
Operating profit/loss		(4,050)	(487)
Other financial expenses		(42)	(47)
Profit/loss for the year		(4,092)	(534)
Proposed distribution of profit and loss			
Retained earnings		(4,092)	(534)
Proposed distribution of profit and loss		(4,092)	(534)

Balance sheet at 31.12.2023

Assets

	Notes	2023 EUR'000	2022 EUR'000
Other investments		23,669	20,698
Financial assets	1	23,669	20,698
Fixed assets		23,669	20,698
Prepayments		6	16
Receivables		6	16
Cash		0	1,912
Current assets		6	1,928
Assets		23,675	22,626

Equity and liabilities

	Notes	2023 EUR'000	2022 EUR'000
Contributed capital		22,932	21,009
Retained earnings		(2,501)	1,591
Equity		20,431	22,600
Bank loans		3,204	0
Other payables		40	26
Current liabilities other than provisions		3,244	26
Liabilities other than provisions		3,244	26
Equity and liabilities		23,675	22,626
Employees	2		
Fair value information	3		
Contingent liabilities	4		
Assets charged and collateral	5		

Statement of changes in equity for 2023

	Contributed capital EUR'000	Retained earnings EUR'000	Total EUR'000
Equity beginning of year	21,009	1,591	22,600
Increase of capital	1,923	0	1,923
Profit/loss for the year	0	(4,092)	(4,092)
Equity end of year	22,932	(2,501)	20,431

The Limited Partners have committed themselves to contributing up to EUR 38,470 thousand into the Fund, when new capital is required for making investments, paying fund costs etc. Of the total committed capital, the Limited Partners have paid-in EUR 22,932 thousand at 31.12.2023, and the remaining contribution balance is EUR 15,538 thousand.

Notes

1 Financial assets

The unlisted equities consist solely of the Entity's ownership shares in an alternative investment fund within the real-estate sector ("**portfolio fund**").

The Entity has through its investment in a portfolio fund ownership of solely unlisted investments. The Entity does not possess controlling or significant influence on the portfolio fund in which the Entity has invested.

As a part of the compilation of the annual report, Management assesses the fair value principles and accounting estimates of the portfolio fund, and evaluate if the applied principles are fair, based upon management experience and knowledge regarding the specific portfolio fund. Given the nature of the unlisted equities the valuation is inherently associated with uncertainty, and the final valuation or sale price of the investments held by the portfolio fund, will depend on the future developments in market and specific factors, including earnings, interest rates, foreign exchange, etc.

The unrealised fair value adjustments recognized in this annual report is a result of the performance and valuation of the portfolio fund. Annually the Entity receives audited financial statements by an independent auditor from the portfolio fund, which serve as the basis for the year-end valuation.

Neither Management nor the Entity has any influence on the fair value assessments in the portfolio fund, and since the fair value is based upon audited figures, no quantitative inputs can be disclosed. The portfolio fund in which the Entity has invested use common accepted guidelines for measuring the fair value. The fair value measuring of the investments held by the portfolio fund is made by the manager of the portfolio fund. The fair value of all investments held by the Entity are based on level 3 in the fair value hierarchy (unobservable inputs) under IFRS.

For further considerations see accounting policies.

2 Employees

The Entity has no employees other than the Executive Board and the Board of Directors.

The Executive Board and Board of Directors have not received any remuneration.

According to paragraph 61 section 3 (5 and 6) of the Alternative Investment Fund Managers etc. Act, alternative investment funds must disclose information about the total remuneration of the entire staff of the Fund Manager and the number of beneficiaries. Furthermore, remuneration to material risk-takers must be disclosed.

The Fund Manager must also disclose the information necessary to provide an understanding of the risk profile of the Fund and the measures that the Fund Manager takes to avoid or manage conflicts of interest between the Fund Manager and the Limited Partners. The Board of Directors has adopted a remuneration policy in order to ensure that the employees and Management are remunerated according to the Danish Executive Order on remuneration policy and disclosure requirements on remuneration for managers of alternative investment funds, etc.

In accordance with paragraph 61 section 3 (5 and 6) of the Alternative Investment Fund Managers etc. Act, information regarding salaries paid to employees of the Fund Manager is disclosed in the Annual Report for Nordic Investment Opportunities A/S, Business Reg. No. 39 78 55 95.

3 Fair value information

	Unlisted equities EUR'000
Fair value end of year	23,669
Unrealised fair value adjustments recognised in the income statement	(3,681)

4 Contingent liabilities

The Company has made one commitment investment and is liable for the uncalled commitments.

The commitment amount is EUR 38,470 thousand and uncalled commitment is EUR 14,080 thousand.

5 Assets charged and collateral

An agreement has been made regarding short-term financing, where remaining committed capital is provided as collateral.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit or loss

Gross profit or loss comprises other external expenses.

Fair value adjustments of other investment assets

Fair value adjustments of other investment assets comprise adjustments for the financial year of the Entity's investment assets measured at fair value at the balance sheet date.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities and management fee. Management fee comprises of management fee for the period calculated according to the Limited Partnership Agreement

Other financial expenses

Other financial expenses comprise interest expenses and net exchange losses in foreign currencies.

Balance sheet**Other investments**

Other investments recognized under fixed assets solely consist of unlisted investments in an alternative investment fund (AIF) measured at fair value through the income statement.

When measuring the fair value of the investment in the alternative investment fund (AIF), the valuation is based upon the fair value of the assets and liabilities included in the portfolio fund and as shown in the audited annual reports of the portfolio fund. The fair value of the portfolio fund is calculated based on recognized valuation methods, including IPEV valuation guidelines, which essentially correspond to recognition and measurement provisions in IFRS 13. The fair value of the portfolio fund corresponds to the accumulated share of ownership of the total capital of the underlying portfolio fund.

As a result of the investment being made through another alternative investment fund, it is not possible to provide additional information about the used multiple, yield requirements, etc. in the valuation. At Q4 the Entity receives audited financial statements by an independent auditor from the underlying fund which is the basis for the valuation at the balance sheet date.

Since the valuation in the portfolio fund depends on assumptions regarding future earnings in underlying companies and assets owned by the portfolio fund and the development in market multiples, the valuation is linked to natural uncertainty.

This uncertainty will naturally be greater in periods of fluctuation in the financial markets, where market multiples, and thus the valuation will be influenced by, among other things, the development of liquidity premiums and the possibility of selling underlying companies in the portfolio fund.

Outstanding investment commitments at the balance sheet date are disclosed as contingent liabilities in the notes.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Supplementary reports

Supplementary report on disclosures in accordance with the SFDR etc.

The financial product is classified as being a financial product referred to in Article 8 (1) of Regulation (EU) 2019/2088 on transparency of the promotion of environmental or social characteristics disclosures in the financial services sector, having promoted E/S characteristics, but not made any sustainable investments.

The product level periodic disclosure - Annex IV of the Regulation (EU) 2019/2088, is found in Appendix 1.

ANNEX IV

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: NIO Real Estate I K/S

Legal entity identifier: (CVR. No.) 41025565

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Did this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input type="radio"/> Yes	<input type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> No
<input type="checkbox"/> It made sustainable investments with an environmental objective: ___% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy 	<input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of <u>0</u> % of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective
<input type="checkbox"/> It made sustainable investments with a social objective: ___%	<input checked="" type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments

NIO Real Estate I K/S ("The product" or "The Fund") is a Feeder Fund to NREP Nordic Strategies Fund IV Limited Partnership SCSp ("NSF IV" or "The Master Fund"). The commitments of this product has been given to NREP Nordic Strategies Fund IV Limited Partnership SCSp (which is an alternative investment fund) that is part of a whole fund structure, managed by NREP AB, company number (Org no.) 556706-4885 ("NREP"). The allocation of the Feeder Funds' commitment to each entity is driven by tax, legal and regulatory reasons unrelated to NSF IV sustainability objectives. Furthermore, the Feeder Funds exposure to the underlying assets of NSF IV is not affected by the allocation of its commitment to any one particular legal entity comprised by NSF IV.



To what extent were the environmental and/or social characteristics promoted by this financial product met?

As an Article 8 fund under the SFDR Regulation (EU) 2019/2088, the Fund and Master Fund incorporates environmental and social elements into its investment decisions but does not have sustainable investments as its objective. With the classification as Article 8, the fund and the Master Fund is enabled to follow NREP's brown-to-green transition strategy. As set out in the both the Fund's and Master Fund's precontractual template, where the following environmental and social characteristics are identified:

- Embodied CO2 emissions (kg CO2e/m2/y)
- Operational CO2 emissions (kg CO2e/m2/y)
- Energy efficiency (kWh/m2/p.a.)
- Energy efficiency (EPC rating)
- CRREM alignment
- New Build Sustainability certification
- In-use Sustainability certification

The characteristics are incorporated into NREP's investment lifecycle via NREP's sustainability blueprint, the Delivery Model, which translates NREP's sustainability purpose and vision into clear guidance and methodologies that support decision making in the acquisition stage, development stage and throughout the asset ownership period. NREP's Delivery Model includes the Sustainability Due Diligence (SDD), Sustainable Development Performance Standards (SDPS), and Sustainable Action Plans for Standing Assets (SAPSA).

● How did the sustainability indicators perform?

Data is based on actual and estimated consumption, and subject to change as real time data coverage increases. Final 2023 ESG fund metrics will be ready by end of Q2 2024. The analysis is excluding investments in portfolio companies and development projects not yet completed. The data is collected by the Master Fund and shown on Master Fund level.

Indicator	2023 Performance	Methodology Note
Embodied emissions (kg CO2e/ m2/p.a.)	Data unavailable at the deadline of this reporting. Only expected to be available end of Q2 2024	LCA A1-A5 for developments and forward purchases completed in 2023
Operational GHG emissions (kg CO2e/ m2/p.a.)		
<i>Location based emissions from whole building energy consumption and refrigerant leakage.</i>	8.1 kg	Location-based emissions do not account for green energy procurement. Based on actual data where available and supplemented with estimated data.
Operational GHG emissions (kg CO2e/m2/p.a.)		
<i>Market based emissions from whole building energy consumption and refrigerant leakage.</i>	7.0kg	Market-based emissions accounts for green energy procurement and excess renewable energy production.
CRREM operational GHG emissions (kg CO2e/m2)		
<i>Share of floor area compliant with the CRREM 1.5 GHG emissions reduction pathway based emissions(locationbased)</i>	86%	The location-based operational emissions of each standing asset is benchmarked to the reduction pathway for the relevant country and typology in the reporting year.
Energy efficiency (kWh/m2/p.a.)	99 kWh	Data is based on actual whole-building energy consumption or estimated based on EPC rating

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

Energy efficiency (EPC rating)	72%	Share of floor area with EPC A, B or C
CRREM energy consumption (kWh/m ²)		
<i>Share of floor area compliant with the CRREM 1.5^o energy intensity reduction pathway</i>	76%	The energy consumption of each standing asset is benchmarked to the reduction pathway for the relevant country and typology in the reporting year.
Certified developments <i>Own developments</i>	N/A	Share of own developments with realized / planned certification (DGNB, LEED and BREEAM)
Certified developments <i>Forward purchases</i>	N/A	Share of forward purchases with realized /planned certification (DGNB, LEED and BREEAM)
In-use certificates <i>Standing assets</i>	42%	Share of standing assets with realized /planned in-use certificate

Explanation of indicators:

- **Embodied emissions**
Covers embodied emissions from new construction projects, acquisitions of new built projects, and major renovation projects:
 - GHG protocol Scope 3, Category 2, Capital Goods
 - Measured based on LCA. Including LCA phases A1-A5
 - Includes building materials, transportation, manufacturing, and construction processes
 - Including construction projects completed in the reporting year
 - Excluding projects where Nrep is not the first owner
- **Operational emissions**
Covers operational GHG emissions from total energy consumption in standing real estate assets including tenant energy consumption:
 - GHG protocol Scope 3, Category 13, Down Stream Leased Assets
 - Measured based on actual and estimated energy consumption in reporting year
- **Energy efficiency (kWh / sqm)**
Covers all consumed kWh, including:
 - All kWh from direct combustion
 - Electricity from the grid
 - Electricity produced and consumed on site
 - District heating purchased
- **Energy efficiency (EPC rating):**
The EPC rating benchmarks the building's energy consumption against a pre-defined scale specific to countries and typologies. All assets must hold a valid EPC rating and strive to achieve min. EPC B or EU taxonomy alignment as part of the decarbonization roadmap. The roadmap is used to estimate future performance based on current energy demand and planned future improvement.
- **CRREM alignment:**
CRREM reduction pathways provide annual targets for energy and GHG efficiency. The pathways are set to ensure that the performance of properties align with the 1.5^o temperatur scenario of the Paris Agreement. To ensure the Fund remains within the CRREM boundaries, all assets in the Fund must have a decarbonization roadmap in place outlining planned improvements.
- **New build and In-use sustainability certifications:**
As of 2021, Nrep strives to certify all new development projects with a target of at least DGNB Gold, LEED Gold or BREEAM Very good and selected business lines focus on in-use certifications. The Fund may also consider additional certification bodies such as Nordic Swan Label and Miljö Byggnad.

● **...and compared to previous periods?**

As tracking and measuring of KPI's have changed during the year, comparison with previous periods have not been possible.

● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

The Funds does not hold- an did not make any sustainable investments. The product is a feeder fund whose sole purpose is to invest in the Master Fund. The Master Fund incorporates environmental and social elements into its investment decisions but does not have sustainable investments as its objective.

● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?** *The Funds does not hold- an did not make any sustainable investments.*

How were the indicators for adverse impacts on sustainability factors taken into account?

As described in the ESG policy of the Manager and in the room of the Funds activities, the scope of the Funds current investments does not consider adverse impacts of investments decisions on sustainability factors. The Fund does not hold any sustainable investments. Therefore the indicators for adverse impacts on sustainable investments were not taken into account.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

The Managers Responsible Investment Policy and the ESG Standards are intended to be aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights set of guidelines (the "Guidelines"). During the reference period, there were no known violations of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



How did this financial product consider principal adverse impacts on sustainability factors?

As described in the ESG policy of the Manager and in the room of the Funds activities, the scope of the Funds current investments does not consider adverse impacts of investments decisions on sustainability factors.

The Master Fund have taken into consideration the principal adverse impacts on sustainability factors in the course of assessing sustainability risks and their impacts on the value of investments. The Master Fund has been working with the indicators:

- "Exposure to fossil fuels through real estate assets"
- "Exposure to energy-inefficient real estate assets".

The Fund is not aware of any investments which are involved in extraction, storage, transport of manufacture of fossil fuels. However, the Master Fund has since inception been active within the logistics segment and does not have control of goods/services passing through in such properties.

The Master Fund has invested in assets that are both energy efficient and - inefficient. It is the Master Fund's ambition that energy inefficient assets over time will be transformed into energy efficient assets.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



What were the top investments of this financial product?

Gross asset value ("GAV") as per 31 December 2023 is used as the basis for calculating the proportions (%) of investments that are held indirectly via the Funds investments in the Master Funds. As the Fund is a Fund of Funds, the investments listed below are the largest indirectly owned investment of the Fund through its direct investments into its underlying Master Fund, NSF IV. The Fund does not have control over the below listed assets and does not have exhaustive information about the single investments. The assets listed below are expressed as a percentage of the total assets over the year.

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 1 January 2023 – 31 December 2023

Largest investments	Sector	% Assets	Country
Slagsta Strand	Real Estate	5%	Sweden
Project Niittykumpu	Real Estate	4%	Finland
Kronen	Real Estate	4%	Denmark
AG South Harbour	Real Estate	3%	Denmark
Banemarksvej	Real Estate	3%	Denmark
Project Pukkila	Real Estate	3%	Finland
Piperska Muren 2	Real Estate	3%	Sweden
Kronoslätt 1:11 & 1:12	Real Estate	3%	Sweden
Store Torv 1	Real Estate	2%	Denmark
Noli Otaniemi	Real Estate	2%	Finland
Toveien 21	Real Estate	2%	Norway
Plushusene Brostykkevej	Real Estate	2%	Denmark
Edu Kattegatt 24	Real Estate	2%	Sweden

Lundby 2:11	Real Estate	2%	Sweden
Tappsund 1:63	Real Estate	2%	Sweden

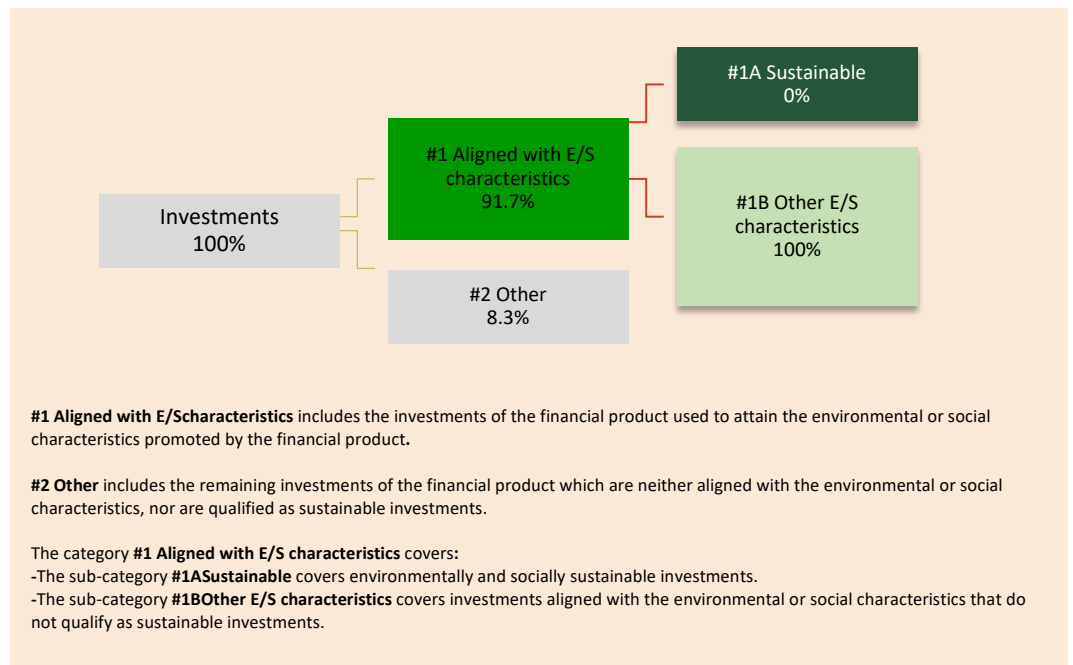


What was the proportion of sustainability-related investments?

The proportion of sustainability investments in the Master Fund was 91.8%. The investment in the Master Fund make up 99.97% of the assets of the Fund. The proportion of sustainable investments therefore represent 91.7% of the Funds gross asset value.

What was the asset allocation?

The sub-category #1B Other E/S characteristics, covers 91.7% of the Fund's investments. This is investments in the Real Estate sector. The sub-category #2 Other, covers 8.3% of the Fund's investments. This is related to trade receivables, other receivables, others assets and cash.



The financial product contains investments with both environmental and social characteristics. A single investment may contribute to both a environmental and social goal and make up a collective allocation of more than 100 percent. No prioritisation has been made between environmental and social goals and the product does not target any specific allocation.

In which economic sectors were the investments made?

The investments made by the Fund and the Master Fund is all within the Real Estate Sector. Sub-sectors include residential properties, commercial properties, hotels, serviced living. All investments are made within the Nordic region and few investments in Germany.



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable. There are no sustainable investments.

Asset allocation describes the share of investments in specific assets.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

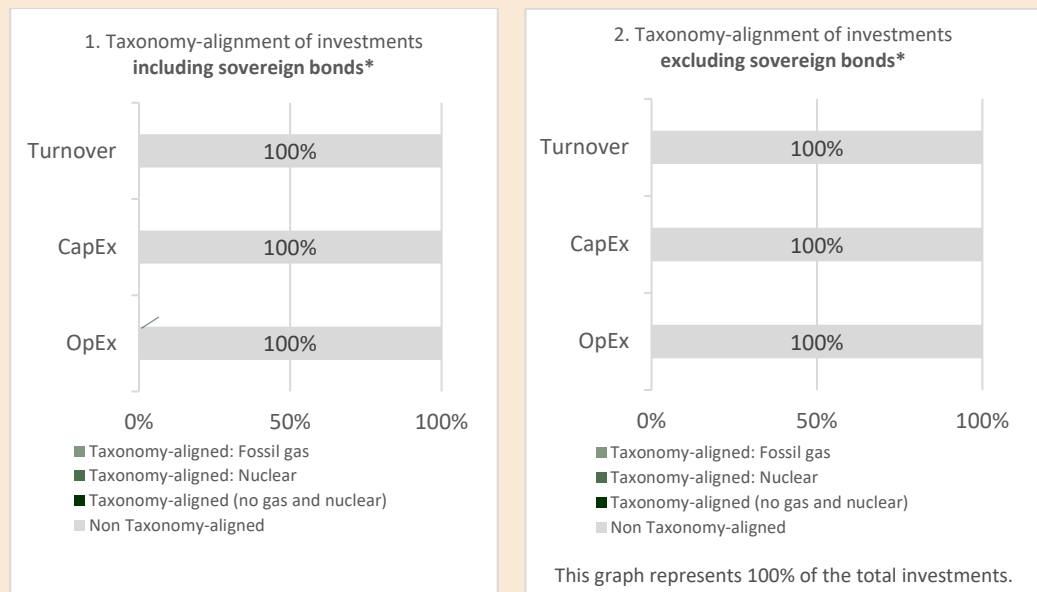
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?**

- Yes:
 - In fossil gas
 - In nuclear energy
- No

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

● **What was the share of investments made in transitional and enabling activities?**

The Fund does not have a minimum share of transitional/enabling activities.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

The Fund does not have sustainable investments and 0% of the investments are EU taxonomy aligned. This is unchanged from the previous period.

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy? *The Fund does not hold any sustainable investments. No investments were made with an environmental objective.*



What was the share of socially sustainable investments? *The Fund does not hold any sustainable investments. No investments were made with a sustainable objective.*



What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards? *This segment of investments consisted of derived elements of the ordinary real estate investments, i.e. cash, receivables, deposits or other forms of working capital. There were no environmental or social safeguards for these types of investments.*



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

All investment held by the Fund, has been made after ensuring that the aims, objectives and ESG policy relevant for the Master funds, are aligned with the ESG policy of the Manager. The ratings of the investment have been made, after sufficient evidence has been collected ensuring that the ESG ratings for each Master fund has been conducted on finalised on a true and objective and complete level of data. All investments have been approved by both the risk manager and the investment committee of the Manager who a partly responsible for ensuring ES alignment.

In the Master Fund All investments in new developments or standing assets being presented to the Investment Committee (IC) have undergone a Sustainability Due Diligence, in addition to a technical, legal, commercial and environmental due diligence. Her the Identified risks are in subsequent steps investigated in more detail to understand if they can be managed/mitigated creating both a pre- and post-mitigation assessment. The criteria revolve around topics of physical climate risk, decarbonization and transition risk, energy efficiency, eco-system and biodiversity, health and community, data & analytics, governance & ESG framework compliance.

For standing assets, the Master Fund use the Sustainable Action Plan for Standing Assets (SAPSA). The main purpose of SAPSA is to ensure that each standing asset is pursuing the individual impact potential of that specific asset in alignment with Nrep’s sustainability strategy and business priorities. With SAPSA, each standing asset must meet a number of requirements within 18 months of acquisition, including e.g., that the asset must hold a valid EPC and must produce and maintain a Climate Action Roadmap demonstrating a pathway to achieve min. EPC B and CRREM1.50 compliance.



How did this financial product perform compared to the reference benchmark? *No reference benchmark has been identified.*

- **How does the reference benchmark differ from a broad market index?** *Not applicable. No reference benchmark has been identified for this financial product.*
- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?** *Not applicable. No reference benchmark has been identified for this financial product.*
- **How did this financial product perform compared with the reference benchmark?** *Not applicable. No reference benchmark has been identified for this financial product.*
- **How did this financial product perform compared with the broad market index?** *Not applicable. No reference benchmark has been identified for this financial product.*

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.