
Egedal Resi III ApS

Southamptongade 4, DK-2150 Nordhavn

Annual Report for 2022

CVR No. 41 16 53 75

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 22/6 2023

Mark Raine
Chairman of the
general meeting



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Management's statement

The Executive Board has today considered and adopted the Financial Statements of Egedal Resi III 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, 22 June 2023

Executive Board

Thomas Ebbe Riise-Jakobsen

Rune Højby Kock

Henrik Skak Bender

Stine Seneberg

Independent Auditor's report

To the shareholder of Egedal Resi III 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 Egedal Resi III 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.

Hellerup, 22 June 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Mikael Johansen

State Authorised Public Accountant

mne23318

Kristian Rath

State Authorised Public Accountant

mne42817

Company information

The Company	Egedal Resi III ApS Southamptongade 4 DK-2150 Nordhavn CVR No: 41 16 53 75 Financial period: 1 January - 31 December Municipality of reg. office: Copenhagen
Executive board	Thomas Ebbe Riise-Jakobsen Rune Højby Kock Henrik Skak Bender Stine Seneberg
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup
Bankers	Nykredit Kalvebod Brygge 47

Income statement 1 January - 31 December

	Note	2022	2020/21
		DKK 12 months	DKK 15 months
Gross profit before value adjustments		138,379	320,421
Value adjustments of assets held for investment		-913,303	6,508,569
Gross profit/loss after value adjustments		-774,924	6,828,990
Financial income	3	475	0
Financial expenses	4	-1,121,785	-998,744
Profit/loss before tax		-1,896,234	5,830,246
Tax on profit/loss for the year	5	9,066	-1,291,409
Net profit/loss for the year		-1,887,168	4,538,837

Distribution of profit

	2022	2020/21
	DKK	DKK
Proposed distribution of profit		
Retained earnings	-1,887,168	4,538,837
	-1,887,168	4,538,837

Balance sheet 31 December

Assets

	Note	2022 DKK	2020/21 DKK
Investment properties		39,286,697	40,200,000
Property, plant and equipment	6	39,286,697	40,200,000
Fixed assets		39,286,697	40,200,000
Trade receivables		32,578	0
Other receivables		0	93,465
Prepayments		1,500	18,656
Receivables		34,078	112,121
Cash at bank and in hand		1,174,420	619,546
Current assets		1,208,498	731,667
Assets		40,495,195	40,931,667

Balance sheet 31 December

Liabilities and equity

	Note	2022	2020/21
		DKK	DKK
Share capital		40,000	40,000
Retained earnings		2,627,540	4,514,708
Equity		2,667,540	4,554,708
Provision for deferred tax		1,343,909	1,278,112
Provisions		1,343,909	1,278,112
Mortgage loans		24,603,935	0
Payables to group enterprises		10,567,038	33,961,392
Long-term debt	7	35,170,973	33,961,392
Mortgage loans	7	188,124	0
Prepayments received from customers		153,622	0
Trade payables		404,124	459,739
Deposits		460,867	508,287
Other payables		106,036	0
Deferred income		0	169,429
Short-term debt		1,312,773	1,137,455
Debt		36,483,746	35,098,847
Liabilities and equity		40,495,195	40,931,667
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	40,000	4,514,708	4,554,708
Net profit/loss for the year	0	-1,887,168	-1,887,168
Equity at 31 December	40,000	2,627,540	2,667,540

Notes to the Financial Statements

1. Key activities

The company's key activity is construction, purchase and sale of real estate, rental, project and consulting, investment and other related activities.

2. Staff

Average number of employees

	<u>2022</u>	<u>2020/21</u>
	0	0

3. Financial income

Exchange gains

	<u>2022</u> DKK	<u>2020/21</u> DKK
	475	0
	<u>475</u>	<u>0</u>

4. Financial expenses

Interest paid to group enterprises

Other financial expenses

Exchange loss

	<u>2022</u> DKK	<u>2020/21</u> DKK
	905,646	995,959
	212,676	2,785
	3,463	0
	<u>1,121,785</u>	<u>998,744</u>

5. 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> DKK	<u>2020/21</u> DKK
	0	10,097
	381,479	1,281,312
	34,372	0
	-424,917	0
	<u>-9,066</u>	<u>1,291,409</u>

Notes to the Financial Statements

6. Assets measured at fair value

	Investment properties
	DKK
Cost at 1 January	33,691,431
Cost at 31 December	33,691,431
Value adjustments at 1 January	6,508,569
Revaluations for the year	-913,303
Value adjustments at 31 December	5,595,266
Carrying amount at 31 December	39,286,697

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
The fair value of investment properties amounts to	39,286,697
Value adjustment, income statement	-913,303
Average WACC	6,38%
Exit yield	4,38%

Notes to the Financial Statements

7. 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>2020/21</u>
	DKK	DKK
Mortgage loans		
After 5 years	23,846,559	0
Between 1 and 5 years	757,376	0
Long-term part	<u>24,603,935</u>	<u>0</u>
Within 1 year	188,124	0
	<u>24,792,059</u>	<u>0</u>
Payables to group enterprises		
After 5 years	<u>10,567,038</u>	<u>33,961,392</u>
Long-term part	<u>10,567,038</u>	<u>33,961,392</u>
Within 1 year	<u>0</u>	<u>0</u>
	<u>10,567,038</u>	<u>33,961,392</u>
	<u>2022</u>	<u>2020/21</u>
	DKK	DKK

8. Contingent assets, liabilities and other financial obligations

Charges and security

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

There have been issued mortgage deeds with a total of DKK 25,402,000 with security in the company's investment property with a carrying amount of	39,286,697	40,200,000
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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 IV 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.

Notes to the Financial Statements

9. 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 IV LP	Luxembourg

Notes to the Financial Statements

10. Accounting policies

The Annual Report of Egedal Resi III 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.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income statement

Net sales

Rental income is recognised on a straight line basis over the term of the lease

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

Other external expenses

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

Notes to the Financial Statements

Gross profit

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.

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 Group Enterprises. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

Investment properties

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

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

Interest expenses on loans contracted directly for financing the construction of properties 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.

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.

Impairment of fixed assets

The carrying amounts of intangible assets and 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.

Notes to the Financial Statements

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

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

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

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

Deferred income

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