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# *NSF IV Kronen ApS*

Southamptongade 4, DK-2150 Nordhavn

## Annual Report for 2023

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CVR No. 42 28 78 22

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

Kasper Juulsgaard  
Sørensen  
Chairman of the  
general meeting



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# Management's statement

The Executive Board has today considered and adopted the Annual Report of NSF IV Kronen 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

Stine Seneberg

Mohamad Awad

Toke Sundenæs Clausen

Thomas Ebbe Riise-Jakobsen

# Independent Auditor's report

To the shareholder of NSF IV Kronen 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 NSF IV Kronen 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.

Hellerup, 31 May 2024

**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

<b>The Company</b>	NSF IV Kronen ApS Southamptongade 4 DK-2150 Nordhavn  CVR No: 42 28 78 22 Financial period: 1 January - 31 December Incorporated: 8 April 2021 Financial year: 3rd financial year Municipality of reg. office: Copenhagen
<b>Executive Board</b>	Stine Seneberg Mohamad Awad Toke Sundenæs Clausen Thomas Ebbe Riise-Jakobsen
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

## Income statement 1 January - 31 December

	Note	2023	2022
		TDKK	TDKK
<b>Gross profit before value adjustments</b>		<b>24,654</b>	<b>8,701</b>
Value adjustments of assets held for investment		67,720	-196,312
<b>Gross profit after value adjustments</b>		<b>92,374</b>	<b>-187,611</b>
Financial income	3	121	1,578
Financial expenses	4	-40,120	-20,254
<b>Profit/loss before tax</b>		<b>52,375</b>	<b>-206,287</b>
Tax on profit/loss for the year	5	-13,564	44,943
<b>Net profit/loss for the year</b>		<b>38,811</b>	<b>-161,344</b>
 <b>Distribution of profit</b>			
		2023	2022
		TDKK	TDKK
<b>Proposed distribution of profit</b>			
Retained earnings		38,811	-161,344
		<b>38,811</b>	<b>-161,344</b>

## Balance sheet 31 December

### Assets

	Note	2023	2022
		TDKK	TDKK
Investment properties		1,045,856	882,994
<b>Property, plant and equipment</b>	6	<b>1,045,856</b>	<b>882,994</b>
<b>Fixed assets</b>		<b>1,045,856</b>	<b>882,994</b>
Trade receivables		6,665	3,208
Other receivables		15,268	2,789
Corporation tax receivable from group enterprises		1,721	0
Prepayments		282	4
<b>Receivables</b>		<b>23,936</b>	<b>6,001</b>
<b>Cash at bank and in hand</b>		<b>5,680</b>	<b>6,391</b>
<b>Current assets</b>		<b>29,616</b>	<b>12,392</b>
<b>Assets</b>		<b>1,075,472</b>	<b>895,386</b>



# Balance sheet 31 December

## Liabilities and equity

	Note	2023	2022
		TDKK	TDKK
Share capital		40	40
Retained earnings		167,163	128,352
<b>Equity</b>		<b>167,203</b>	<b>128,392</b>
Provision for deferred tax		52,283	37,008
<b>Provisions</b>		<b>52,283</b>	<b>37,008</b>
Mortgage loans		480,073	489,428
Payables to group enterprises		322,297	215,857
<b>Long-term debt</b>	7	<b>802,370</b>	<b>705,285</b>
Mortgage loans	7	9,355	0
Credit institutions	7	10,104	0
Prepayments received from customers		1,733	1,722
Trade payables		23,193	13,348
Deposits		9,086	9,485
Other payables		145	140
Deferred income		0	6
<b>Short-term debt</b>		<b>53,616</b>	<b>24,701</b>
<b>Debt</b>		<b>855,986</b>	<b>729,986</b>
<b>Liabilities and equity</b>		<b>1,075,472</b>	<b>895,386</b>
Key activities	1		
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## Statement of changes in equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	40	128,352	128,392
Net profit/loss for the year	0	38,811	38,811
<b>Equity at 31 December</b>	<b>40</b>	<b>167,163</b>	<b>167,203</b>

# Notes to the Financial Statements

## 1. Key activities

The company's key activity is to develop properties, including to buy and sell real estate, and any other related activities at the discretion of the management.

	<u>2023</u>	<u>2022</u>
<b>2. Staff</b>		
Average number of employees	0	0

	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
<b>3. Financial income</b>		
Other financial income	121	1,578
	<u>121</u>	<u>1,578</u>

	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
<b>4. Financial expenses</b>		
Interest paid to group enterprises	19,440	15,629
Other financial expenses	20,680	4,610
Exchange adjustments, expenses	0	15
	<u>40,120</u>	<u>20,254</u>

	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
<b>5. Income tax expense</b>		
Current tax for the year	-1,000	0
Deferred tax for the year	11,811	-45,381
Adjustment of tax concerning previous years	-722	-242
Adjustment of deferred tax concerning previous years	3,475	680
	<u>13,564</u>	<u>-44,943</u>

# Notes to the Financial Statements

## 6. Assets measured at fair value

	Investment properties
	TDKK
Cost at 1 January	712,236
Additions for the year	95,142
Cost at 31 December	<u>807,378</u>
Value adjustments at 1 January	170,758
Revaluations for the year	67,720
Value adjustments at 31 December	<u>238,478</u>
<b>Carrying amount at 31 December</b>	<b><u>1,045,856</u></b>

### 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.

The fair value of Property has been calculated based on the following assumptions:

	2023
	TDKK
The fair value of investment properties amounts to	1,045,856
Value adjustment, income statement	67,720
Exit Yield	5,75-7,50%

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>
	TDKK	TDKK
<b>7. Long-term debt</b>		
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:		
<b>Mortgage loans</b>		
After 5 years	405,638	425,831
Between 1 and 5 years	<u>74,435</u>	<u>63,597</u>
Long-term part	480,073	489,428
Within 1 year	<u>9,355</u>	<u>0</u>
	<b><u>489,428</u></b>	<b><u>489,428</u></b>
<b>Payables to group enterprises</b>		
After 5 years	<u>322,297</u>	<u>215,857</u>
Long-term part	322,297	215,857
Within 1 year	<u>0</u>	<u>0</u>
	<b><u>322,297</u></b>	<b><u>215,857</u></b>
	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
<b>8. Contingent assets, liabilities and other financial obligations</b>		
<b>Charges and security</b>		
The following assets have been placed as security with mortgage credit institutes:		
Investment properties with a carrying amount of	1,045,856	882,994
Mortgage deeds registered to the mortgagor totalling DKK 75,000k, providing security on investment properties at a total carrying amount of:	<u>1,045,856</u>	<u>882,994</u>

# Notes to the Financial Statements

2023	2022
TDKK	TDKK

## 8. Contingent assets, liabilities and other financial obligations

### Other contingent liabilities

The Company has issued a guarantee of DKK 1,550k til Metroselskabet I/S

The Danish group companies are jointly and severally liable for tax on the Group's jointly taxed income as well as for Danish withholding taxes through dividend tax and tax from unearned income. The total amount of tax payables is included in the Annual Report of NSF IV Denmark Advisory ApS that is the administration Company in relation to the joint taxation.

## 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:

Name	Place of registered office
NREP Nordic Strategies Fund IV LP	Luxemborg

# Notes to the Financial Statements

## 10. Accounting policies

The Annual Report of NSF IV Kronen 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 TDKK.

### 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

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.

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

### Income statement

#### Revenue

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 its 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.

#### 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.

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

## Balance sheet

### Property, plant and equipment

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.

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 fair value of investment properties has been assessed by the independent assessor firm at 31 December 2023

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.

### 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.



# Notes to the Financial Statements

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

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.

## 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 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.

## Deferred income

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