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# *Distreal NSF III LOG Køge 3 ApS*

Southamptongade 4, DK-2150 Nordhavn

## Annual Report for 2023

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CVR No. 42 30 54 21

The Annual Report was  
presented and adopted  
at the Annual General  
Meeting of the  
company  
on 17/5 2024

Stine Seneberg  
Chairman of the  
general meeting



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# Management's statement

The Executive Board has today considered and adopted the Annual Report of Distreal NSF III LOG Køge 3 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, 17 May 2024

## Executive Board

Rune Højby Kock

Nick Holmelund Melgaard

Stine Seneberg

Thomas Petersen

# Independent Auditor's report

To the shareholders of Distreal NSF III LOG Køge 3 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 Distreal NSF III LOG Køge 3 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.

Herning, 17 May 2024

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Poul Spencer Poulsen  
State Authorised Public Accountant  
mne23324

Kasper Ladekjær  
State Authorised Public Accountant  
mne50738

## Company information

<b>The Company</b>	Distreal NSF III LOG Køge 3 ApS Southamptongade 4 DK-2150 Nordhavn  CVR No: 42 30 54 21 Financial period: 1 January - 31 December Incorporated: 26 March 2021 Financial year: 3rd financial year Municipality of reg. office: Copenhagen
<b>Executive Board</b>	Rune Højby Kock Nick Holmelund Melgaard Stine Seneberg Thomas Petersen
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Platanvej 4 DK-7400 Herning
<b>Bankers</b>	Danske Bank Lersø Parkallé 100 2100 København Ø

## Income statement 1 January - 31 December

	Note	2023	2022
		DKK	DKK
<b>Gross loss before value adjustments</b>		<b>-993,213</b>	<b>-1,323,398</b>
Value adjustments of assets held for investment		7,583,862	8,492,626
<b>Gross loss after value adjustments</b>		<b>6,590,649</b>	<b>7,169,228</b>
Financial expenses	3	-11,614	-47,278
<b>Profit/loss before tax</b>		<b>6,579,035</b>	<b>7,121,950</b>
Tax on profit/loss for the year	4	-1,424,977	-1,693,275
<b>Net profit/loss for the year</b>		<b>5,154,058</b>	<b>5,428,675</b>
 <b>Distribution of profit</b>			
		2023	2022
		DKK	DKK
<b>Proposed distribution of profit</b>			
Retained earnings		5,154,058	5,428,675
		<b>5,154,058</b>	<b>5,428,675</b>

## Balance sheet 31 December

### Assets

	Note	2023	2022
		DKK	DKK
Investment properties		50,087,157	30,994,000
<b>Property, plant and equipment</b>	5	<b>50,087,157</b>	<b>30,994,000</b>
<b>Fixed assets</b>		<b>50,087,157</b>	<b>30,994,000</b>
Other receivables		2,006,025	140,616
Corporation tax		124,362	0
Corporation tax receivable from group enterprises		0	47,672
<b>Receivables</b>		<b>2,130,387</b>	<b>188,288</b>
<b>Cash at bank and in hand</b>		<b>13,252,452</b>	<b>4,007,860</b>
<b>Current assets</b>		<b>15,382,839</b>	<b>4,196,148</b>
<b>Assets</b>		<b>65,469,996</b>	<b>35,190,148</b>



## Balance sheet 31 December

### Liabilities and equity

	Note	2023	2022
		DKK	DKK
Share capital		50,000	50,000
Retained earnings		12,006,969	6,852,911
<b>Equity</b>		<b>12,056,969</b>	<b>6,902,911</b>
Provision for deferred tax		3,121,088	1,518,736
<b>Provisions</b>		<b>3,121,088</b>	<b>1,518,736</b>
Credit institutions		1,304,828	0
Payables to group enterprises		48,652,261	26,247,723
<b>Long-term debt</b>	6	<b>49,957,089</b>	<b>26,247,723</b>
Trade payables		334,850	520,778
<b>Short-term debt</b>		<b>334,850</b>	<b>520,778</b>
<b>Debt</b>		<b>50,291,939</b>	<b>26,768,501</b>
<b>Liabilities and equity</b>		<b>65,469,996</b>	<b>35,190,148</b>
Key activities	1		
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## Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
	DKK	DKK	DKK
Equity at 1 January	50,000	6,852,911	6,902,911
Net profit/loss for the year	0	5,154,058	5,154,058
<b>Equity at 31 December</b>	<b>50,000</b>	<b>12,006,969</b>	<b>12,056,969</b>

# Notes to the Financial Statements

## 1. Key activities

The Company's key activity is to construct, own and/or operate investment properties primarily within the logistics-business and other companies which, in the opinion of the Executive Board, are connected to this.

## 2. Staff

Average number of employees

	<u>2023</u>	<u>2022</u>
	0	0

## 3. Financial expenses

Other financial expenses  
Exchange adjustments, expenses

	<u>2023</u>	<u>2022</u>
	DKK	DKK
	6,765	42,106
	4,849	5,172
	<u>11,614</u>	<u>47,278</u>

## 4. Income tax expense

Current tax for the year  
Deferred tax for the year  
Adjustment of tax concerning previous years  
Adjustment of deferred tax concerning previous years

	<u>2023</u>	<u>2022</u>
	DKK	DKK
	0	-47,672
	1,504,791	1,762,926
	-53,014	-21,979
	-26,800	0
	<u>1,424,977</u>	<u>1,693,275</u>

# Notes to the Financial Statements

## 5. Assets measured at fair value

	Investment properties
	DKK
Cost at 1 January	22,666,242
Additions for the year	11,509,295
Cost at 31 December	<u>34,175,537</u>
Value adjustments at 1 January	8,327,758
Revaluations for the year	7,583,862
Value adjustments at 31 December	<u>15,911,620</u>
<b>Carrying amount at 31 December</b>	<b><u>50,087,157</u></b>
Interest expenses recognised as part of cost	<u>4,772,680</u>

### Assumptions underlying the determination of fair value of investment properties

Investment properties are measured at fair value. The fair value is calculated by using generally accepted valuation methods (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 investment properties has been calculated based on the following assumptions:

	<u>2023</u>
	DKK
The fair value of investment properties amounts to	50,087,157
Value adjustment, income statement	7,583,862
Average WACC	6,88%
Inflation	2%
Exit Yield	4,88%
Budget Period	10
Average Vacancy	0
Cost to complete	130.049.884

The fair value of investment properties at 31 December 2023 has been assessed by an independent assessor.

The estimates applied are based on information and assumptions considered reasonable by Management but which are inherently uncertain and unpredictable. Actual events or circumstances will probably differ from the assumptions made in the calculations as often assumed events do not occur as expected. Such difference may be material

# Notes to the Financial Statements

## Sensitivity in determination of fair value of investment properties

A range of 4,78% - 4,98% has been applied in the market value assessment at 31 December 2023.

Changes in estimated required rate of return for investment properties will affect the value of investment properties recognised in the balance sheet as well as value adjustments carried in the income statement.

Changes in	-0,1%	Base	0.1%
	DKK	DKK	DKK
Rate of return	4.78	4,88	4.98
Fair value	51,135,005	50,087,157	49,081,391
Change in fair value	1,047,848	0	-1,005,766

2023	2022
DKK	DKK

## 6. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

### Credit institutions

After 5 years	0	0
Between 1 and 5 years	1,304,828	0
Long-term part	1,304,828	0
Within 1 year	0	0
	<b>1,304,828</b>	<b>0</b>

### Payables to group enterprises

After 5 years	48,652,261	26,247,723
Long-term part	48,652,261	26,247,723
Within 1 year	0	0
	<b>48,652,261</b>	<b>26,247,723</b>

## Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	DKK	DKK
<b>7. Contingent assets, liabilities and other financial obligations</b>		
<b>Charges and security</b>		
The following assets have been placed as security with bankers:		
Mortgage deeds registered to the mortgagor totalling TDKK 76.000, providing security on investment property at a total carrying amount of:	50,087,157	0

### Other contingent liabilities

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 on unearned income. The total amount of tax payables is included in the Annual Report for NSF III Denmark Advisory ApS which is the Administration Company in relation to the joint taxation.

## 8. Related parties and disclosure of consolidated financial statements

### Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company:

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

# Notes to the Financial Statements

## 9. Accounting policies

The Annual Report of Distreal NSF III LOG Køge 3 ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023 are presented in DKK.

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

### Translation policies

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

#### Other external expenses

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

#### Gross loss

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

# Notes to the Financial Statements

## 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

### 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 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.

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.

### *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.

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.

Interest expenses on loans contracted directly for financing the construction of properties are recognised in cost over the construction period.

### 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.

### Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.



## Notes to the Financial Statements

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 onaccount taxation scheme are recognised in the income statement in financial income and expenses.

### **Financial liabilities**

Loans, such as 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.