
NSF III Living Agorahaverne Holding ApS

Southamptongade 4, DK-2150 Nordhavn

Annual Report for
8 March 2022 - 31 December 2022

CVR No. 43 11 48 40

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

Vincent Pang
Chairman of the
general meeting



Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's statement	1
Independent Auditor's report	2
Company information	
Company information	4
Group Chart	5
Financial Statements	
Income statement 8 March - 31 December	6
Balance sheet 31 December	7
Statement of changes in equity	9
Notes to the Financial Statements	10

Management's statement

The Executive Board has today considered and adopted the Consolidated Financial Statements and Parent Company Financial Statements of NSF III Living Agorahaverne Holding ApS for the financial year 8 March - 31 December 2022.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and the Group and of the results of the Company and Group operations for 2022.

We recommend that the Consolidated Financial Statements and Parent Company Financial Statements be adopted at the Annual General Meeting.

Nordhavn, 7 June 2023

Executive Board

Thomas Ebbe Riise-Jakobsen

Rune Højby Kock

Henrik Skak Bender

Stine Seneberg

Independent Auditor's report

To the shareholder of NSF III Living Agorahaverne Holding ApS

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2022 and of the results of the Group's and the Parent Company's operations for the financial year 8 March - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of NSF III Living Agorahaverne Holding ApS for the financial year 8 March - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company ("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 Group 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 consolidated financial statements and parent company 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 Group's and the Parent 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 Group or the Parent 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.

Independent Auditor's report

- 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 Group's and the Parent Company'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 Group's and the Parent 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 Group and the Parent 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Herning, 7 June 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Poul Spencer Poulsen

State Authorised Public Accountant

mne23324

Company information

The Company	NSF III Living Agorahaverne Holding ApS Southamptongade 4 DK-2150 Nordhavn CVR No: 43 11 48 40 Financial period: 8 March - 31 December Incorporated: 8 March 2022 Financial year: 1st financial year Municipality of reg. office: Copenhagen
Executive board	Thomas Ebbe Riise-Jakobsen Rune Højby Kock Henrik Skak Bender Stine Seneberg
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Platanvej 4 7400 Herning

Group Chart

<u>Company</u>	<u>Residence</u>	<u>Ownership</u>
NSF III Living Agorahaverne Holding ApS	Nordhavn	
Agorahaverne 1 ApS	Nordhavn	100
Hermanhaven ApS	Nordhavn	100
Ibihaven ApS	Nordhavn	100

Income statement 8 March - 31 December

	Group	Parent company
Note	2022	2022
	DKK 10 months	DKK 10 months
Gross profit/loss before value adjustments	5,219,674	-67,873
Value adjustments of assets held for investment	-20,334,374	0
Gross profit/loss after value adjustments	-15,114,700	-67,873
Income from investments in subsidiaries	0	-20,449,600
Financial income	3 3,060,634	3,555,240
Financial expenses	4 -9,573,034	-4,267,885
Profit/loss before tax	-21,627,100	-21,230,118
Tax on profit/loss for the year	5 399,144	2,162
Net profit/loss for the year	-21,227,956	-21,227,956

Distribution of profit

	2022
	DKK
Proposed distribution of profit	
Retained earnings	-21,227,956
	-21,227,956

Balance sheet 31 December

Assets

		Group	Parent company
	Note	2022	2022
		DKK	DKK
Investment properties		408,747,415	0
Property, plant and equipment	6	408,747,415	0
Investments in subsidiaries	7	0	19,083,320
Receivables from group enterprises		0	80,200,707
Fixed asset investments		0	99,284,027
Fixed assets		408,747,415	99,284,027
Other receivables		4,329,130	0
Deferred tax asset		0	2,162
Prepayments		125,275	0
Receivables		4,454,405	2,162
Cash at bank and in hand		3,903,461	285,552
Current assets		8,357,866	287,714
Assets		417,105,281	99,571,741

Balance sheet 31 December

Liabilities and equity

		Group	Parent company
	Note	2022	2022
		DKK	DKK
Share capital		40,001	40,001
Retained earnings		619,775	619,775
Equity		659,776	659,776
Provision for deferred tax		8,322,599	0
Provisions		8,322,599	0
Mortgage loans		295,211,957	0
Payables to group enterprises		97,778,577	97,778,577
Deposits		6,793,802	0
Long-term debt	8	399,784,336	97,778,577
Mortgage loans	8	1,464,113	0
Trade payables		4,897,242	1,133,388
Corporation tax		957,710	0
Other payables		1,019,505	0
Short-term debt		8,338,570	1,133,388
Debt		408,122,906	98,911,965
Liabilities and equity		417,105,281	99,571,741
Key activities	1		
Staff	2		
Contingent assets, liabilities and other financial obligations	9		
Related parties	10		
Accounting Policies	11		

Statement of changes in equity

Group

	Share capital	Share premium account	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 8 March	0	0	0	0
Cash payment concerning formation of entity	40,000	0	0	40,000
Cash capital increase	1	21,847,731	0	21,847,732
Net profit/loss for the year	0	0	-21,227,956	-21,227,956
Transfer from share premium account	0	-21,847,731	21,847,731	0
Equity at 31 December	40,001	0	619,775	659,776

Parent company

	Share capital	Share premium account	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 8 March	0	0	0	0
Cash payment concerning formation of entity	40,000	0	0	40,000
Cash capital increase	1	21,847,731	0	21,847,732
Net profit/loss for the year	0	0	-21,227,956	-21,227,956
Transfer from share premium account	0	-21,847,731	21,847,731	0
Equity at 31 December	40,001	0	619,775	659,776

Notes to the Financial Statements

1. Key activities

The Groups key activity is to buy, sell and rent out investment property and other related activities considered appropriate by the board of directors.

2. Staff

Average number of employees

Group	Parent company
2022	2022
0	0

3. Financial income

Interest received from group enterprises

Other financial income

Exchange gains

Group	Parent company
2022	2022
DKK	DKK
0	3,555,260
6,514	0
3,054,120	-20
3,060,634	3,555,240

4. Financial expenses

Interest paid to group enterprises

Other financial expenses

Group	Parent company
2022	2022
DKK	DKK
4,258,503	4,258,503
5,314,531	9,382
9,573,034	4,267,885

Notes to the Financial Statements

	Group	Parent company
	2022	2022
	DKK	DKK
5. Income tax expense		
Current tax for the year	368,181	0
Deferred tax for the year	-857,253	-2,162
Adjustment of deferred tax concerning previous years	89,928	0
	<u>-399,144</u>	<u>-2,162</u>

6. Assets measured at fair value

Group

	Investment properties
	DKK
Cost at 8 March	366,397,827
Additions for the year	11,143,930
Cost at 31 December	<u>377,541,757</u>
Value adjustments at 8 March	51,540,031
Revaluations for the year	-20,334,373
Value adjustments at 31 December	<u>31,205,658</u>
Carrying amount at 31 December	<u>408,747,415</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 property has been calculated based on the following assumptions:

	2022
Average WACC	6,38-6,50%
Exit Yield	4,38-4,50%

The fair value of investment properties at 31 December 2022 has been assessed by an independent assessor.

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

Notes to the Financial Statements

The fair value of investment properties at 31 December 2022 has been assessed by an independent assessor.

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

	<u>Parent company</u>
	<u>2022</u>
	DKK
7. Investments in subsidiaries	
Additions for the year	39,532,920
Cost at 31 December	<u>39,532,920</u>
Net profit/loss for the year	-13,053,245
Other adjustments	<u>-7,396,355</u>
Value adjustments at 31 December	<u>-20,449,600</u>
Carrying amount at 31 December	<u>19,083,320</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership	Equity	Net profit/loss for the year
Agorahaverne 1 ApS	Copenhagen	40,000	100%	<u>19,083,320</u>	<u>-13,053,245</u>
				<u>19,083,320</u>	<u>-13,053,245</u>

Notes to the Financial Statements

8. 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>Group</u>	<u>Parent company</u>
	2022	2022
	DKK	DKK
Mortgage loans		
After 5 years	235,079,959	0
Between 1 and 5 years	60,131,998	0
Long-term part	<u>295,211,957</u>	<u>0</u>
Within 1 year	1,464,113	0
	<u>296,676,070</u>	<u>0</u>
Payables to group enterprises		
After 5 years	97,778,577	97,778,577
Long-term part	<u>97,778,577</u>	<u>97,778,577</u>
Within 1 year	0	0
	<u>97,778,577</u>	<u>97,778,577</u>
Deposits		
After 5 years	0	0
Between 1 and 5 years	6,793,802	0
Long-term part	<u>6,793,802</u>	<u>0</u>
Within 1 year	0	0
Other deposits	0	0
Short-term part	<u>0</u>	<u>0</u>
	<u>6,793,802</u>	<u>0</u>

Notes to the Financial Statements

Group	Parent company
2022	2022
DKK	DKK

9. Contingent assets, liabilities and other financial obligations

Charges and security

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

Land and buildings with a carrying amount of	408,747,415	0
--	-------------	---

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of NSF III Denmark Advisory ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

10. 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:

Name	Place of registered office
NREP Nordic Strategies Fund III LP	Luxembourg

Notes to the Financial Statements

11. Accounting policies

The Annual Report of NSF III Living Agorahaverne Holding 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 Consolidated Financial Statements and the Parent Company 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.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, NSF III Living Agorahaverne Holding ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

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. 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 transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Income statement

Net sales

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.

Notes to the Financial Statements

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Other external expenses

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

Gross profit/loss

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

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for 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 NSF III Denmark Advisory ApS. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

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.

In Management's opinion the classification of the properties as investment properties did not cause any difficulties.

Notes to the Financial Statements

Fair value is the amount for which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction on the balance sheet date. The determination of fair value involves material accounting estimates.

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

Discounted Cash Flow model

The fair value of investment properties has been determined at 31 December 2022 for each property by using a Discounted Cash Flow model under which expected future cash flows are discounted to present value. The calculations are based on property budgets for the coming years. Allowance has been made for developments in rentals, vacancies, operating expenses, maintenance and administration, etc. The individual, budgeted cash flows are discounted at an individually fixed discount rate added a terminal value. The value thus calculated is adjusted for any non-operating assets such as cash and cash equivalents, deposits, etc if they are not shown separately in the balance sheet.

The value thus calculated is adjusted for any non-operating assets such as cash and cash equivalents, deposits, etc if they are not shown separately in the balance sheet.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

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 tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

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. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Notes to the Financial Statements

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.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

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.