
NSF V Office Magnolia Hus ApS

Southamptongade 4, DK-2150 Nordhavn

Annual Report for 2023

CVR No. 43 35 70 42

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

Thomas Ebbe Riise-
Jakobsen
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
Financial Statements	
Income Statement 1 January - 31 December	5
Balance sheet 31 December	6
Statement of changes in equity	8
Notes to the Financial Statements	9

Management's statement

The Executive Board has today considered and adopted the Annual Report of NSF V Office Magnolia Hus 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.

Copenhagen, 31 May 2024

Executive Board

Thomas Wenzell Gram-Olesen

Toke Sundenæs Clausen

Thomas Ebbe Riise-Jakobsen

Rune Højby Kock

Independent Auditor's report

To the shareholder of NSF V Office Magnolia Hus 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 V Office Magnolia Hus 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.

Esbjerg, 31 May 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jannick Kjersgaard

State Authorised Public Accountant

mne29440

Hans Baunsgaard Eskildsen

State Authorised Public Accountant

mne45827

Company information

The Company

NSF V Office Magnolia Hus ApS
Southamptongade 4
DK-2150 Nordhavn

CVR No: 43 35 70 42

Financial period: 1 January - 31 December

Incorporated: 22 June 2022

Financial year: 2nd financial year

Municipality of reg. office: Copenhagen

Executive Board

Thomas Wenzell Gram-Olesen
Toke Sundenæs Clausen
Thomas Ebbe Riise-Jakobsen
Rune Højby Kock

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Esbjerg Brygge 28, 2.
DK-6700 Esbjerg

Income statement 1 January - 31 December

	Note	2023	2022
		DKK 12 months	DKK 6 months
Gross profit/loss before value adjustments		1,663,088	-318,947
Value adjustments of assets held for investment		-17,249,503	58,997,753
Gross profit/loss after value adjustments		-15,586,415	58,678,806
Financial income	3	119,955	0
Financial expenses	4	-14,545,937	-779,544
Profit/loss before tax		-30,012,397	57,899,262
Tax on profit/loss for the year	5	6,244,404	-12,900,008
Net profit/loss for the year		-23,767,993	44,999,254
 Distribution of profit			
		2023	2022
		DKK	DKK
Proposed distribution of profit			
Retained earnings		-23,767,993	44,999,254
		-23,767,993	44,999,254

Balance sheet 31 December

Assets

	Note	2023	2022
		DKK	DKK
Investment properties		313,000,000	319,000,000
Property, plant and equipment	6	313,000,000	319,000,000
Fixed assets		313,000,000	319,000,000
Trade receivables		23,414	0
Other receivables		632,353	64,319,850
Receivables		655,767	64,319,850
Cash at bank and in hand		6,161,170	11,626,028
Current assets		6,816,937	75,945,878
Assets		319,816,937	394,945,878

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		DKK	DKK
Share capital		40,000	40,000
Retained earnings		21,231,261	44,999,254
Equity		21,271,261	45,039,254
Provision for deferred tax		6,655,603	12,900,008
Provisions		6,655,603	12,900,008
Mortgage loans		154,243,231	0
Trade payables		0	150,000,000
Payables to group enterprises		127,890,531	120,546,667
Deposits		4,316,105	984,325
Long-term debt	7	286,449,867	271,530,992
Mortgage loans	7	256,665	0
Trade payables	7	4,323,456	65,475,624
Other payables		111,490	0
Deferred income		748,595	0
Short-term debt		5,440,206	65,475,624
Debt		291,890,073	337,006,616
Liabilities and equity		319,816,937	394,945,878
Key activities	1		
Staff	2		
Contingent assets, liabilities and other financial obligations	8		
Related parties	9		
Accounting Policies	10		

Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	40,000	44,999,254	45,039,254
Net profit/loss for the year	0	-23,767,993	-23,767,993
Equity at 31 December	40,000	21,231,261	21,271,261

Notes to the Financial Statements

1. Key activities

The company's key activities are – directly or indirectly through subsidiaries – to own and operate properties within the office segment and any other activity that the executive board deem related thereto.

2. Staff

Average number of employees

2023	2022
0	0

3. Financial income

Other financial income

2023 DKK 12 months	2022 DKK 6 months
119,955	0
119,955	0

4. Financial expenses

Interest paid to group enterprises

Other financial expenses

2023 DKK 12 months	2022 DKK 6 months
7,343,864	546,667
7,202,073	232,877
14,545,937	779,544

5. Income tax expense

Deferred tax for the year

2023 DKK 12 months	2022 DKK 6 months
-6,244,404	12,900,008
-6,244,404	12,900,008

Notes to the Financial Statements

6. Assets measured at fair value

	Investment properties
	DKK
Cost at 1 January	260,002,247
Additions for the year	9,676,439
Cost at 31 December	<u>269,678,686</u>
Value adjustments at 1 January	58,997,753
Revaluations for the year	-15,676,439
Value adjustments at 31 December	<u>43,321,314</u>
Carrying amount at 31 December	<u>313,000,000</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 of Paradisæblevej 4, 2500 Valby has been calculated based on the following assumptions:

	2023
	DKK
The fair value of investment properties amounts to	313,000,000
Value adjustment, income statement	-15,676,439
Average WACC	6.65%
Average inflation assumption	2.00%
Exit yield	4.65%
Budget period	10
Average vacancy, budget period	5.00%

Notes to the Financial Statements

Sensitivity in determination of fair value of investment properties

An in the range of 4.55 % - 4.75 % has been applied in the market value assessment at 31 December.

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	4.55	4.65%	4.75
Fair value	319,879,121	313,000,000	306,410,526
Change in fair value	6,879,121	0	-6,589,474

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

2023	2022
DKK	DKK

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:

Mortgage loans

After 5 years	153,103,507	0
Between 1 and 5 years	1,139,724	0
Long-term part	154,243,231	0
Within 1 year	256,665	0
	154,499,896	0

Trade payables

After 5 years	0	0
Between 1 and 5 years	0	150,000,000
Long-term part	0	150,000,000
Within 1 year	0	63,044,749
Other short-term trade payables	4,323,456	2,430,875
	4,323,456	215,475,624

Notes to the Financial Statements

	2023	2022
	DKK	DKK
7. Long-term debt		
Payables to group enterprises		
After 5 years	127,890,531	120,546,667
Long-term part	127,890,531	120,546,667
Within 1 year	0	0
	<u>127,890,531</u>	<u>120,546,667</u>
Deposits		
After 5 years	0	0
Between 1 and 5 years	4,316,105	984,325
Long-term part	4,316,105	984,325
Within 1 year	0	0
	<u>4,316,105</u>	<u>984,325</u>

	2023	2022
	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:		
Investment properties with a carrying amount of	313,000,000	0
The following assets have been placed as security with other creditors		
Investment properties with a carrying amount of	0	319,000,000

Other contingent liabilities

The Danish 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 V Advisory Denmark ApS, which is the management company of the joint taxation purposes. Moreover, the Danish 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:

<u>Name</u>	<u>Place of registered office</u>
NREP NSF V Holding 2 S.á r.l.	Luxembourg

Notes to the Financial Statements

10. Accounting policies

The Annual Report of NSF V Office Magnolia Hus 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.

Income statement

Rental income

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 measured at the consideration received and 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/loss

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

Notes to the Financial Statements

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with danish group enterprises. 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

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.

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.

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 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.

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.

Notes to the Financial Statements

Financial liabilities

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.

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.