

# Annual Report

For the financial year 1 January - December 31, 2023

**Urban Partners A/S**

Cvr. nr. 29168709

Southamptongade 4

2150 Nordhavn

The Annual Report was presented and  
adopted at the Annual General meeting on  
the 11<sup>th</sup> June 2024

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# Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Urban Partners A/S for the financial year 1 January to 31 December 2023.

The Consolidated Financial Statements have been prepared in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and the Parent Company Financial Statements have been prepared in accordance with the Danish Financial Statements Act. The Management's Review has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements gives a true and fair view of the financial position at 31 December 2023 of the Group and the Parent Company and of the results of the Group and Parent Company operations and consolidated cash flows for 1 January to 31 December 2023.

**In our opinion, Management's Review includes a true and fair account of the development in the operations and financial matters of the group and the Parent Company, of the results for the year and of the financial position of the Group and the Parent Company.**

We recommend that the Annual Report be adopted at the Annual General Meeting.

Nordhavn, 11<sup>th</sup> June 2024

## Executive Board

Claus Schei Mathisen

Xavier Himmer

## Board of Directors

Mikkel Bülow-Lehnsby  
Chairperson

Jim Hagemann Snabe  
Vice Chair

Morten Beck Jørgensen

Rasmus Nørgaard

Celia Francis

# Independent Auditor's report

To the Shareholders of Urban Partners A/S

## Opinion

In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position at 31 December 2023 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2023 in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Moreover, in our opinion, the Parent Company Financial Statements give a true and fair view of the Parent Company's financial position at 31 December 2023 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Urban Partners A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including material accounting policy information, for both the Group and the Parent Company, as well as statement of comprehensive income and cash flow statement for the Group ("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.

## Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

## Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and for the preparation of 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.
- 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.

Hellerup, 11<sup>th</sup> June 2024  
PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
CVR No 33 77 12 31

Thomas Wraae Holm  
State Authorised Public Accountant  
Mne30141

Qasam Hussain  
State Authorised Public Accountant  
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## Company information

### The Company

Urban Partners A/S  
Subname: NREP A/S  
Southamptongade 4  
DK-2150 Nordhavn  
Website: [www.urbanpartners.com](http://www.urbanpartners.com)

CVR No: 29 16 87 09  
Financial period: 1 January - 31 December  
Incorporated: 2 November 2005  
Financial year: 18th financial year  
Municipality of reg. Office: Copenhagen

### Board of Directors

Mikkel Bülow-Lehnsby, Chairman  
Jim Hagemann Snabe, Deputy Chairman  
Morten Beck Jørgensen  
Rasmus Nørgaard  
Celia Francis

### Executive Board

Claus Schei Mathisen  
Xavier Himmer

### Auditors

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

### Lawyers

Bruun & Hjejle  
Nørregade 21  
DK-1165 København K

### Bankers

Danske Bank A/S  
Strødamvej 46  
DK-2100 København Ø

## Financial highlights – 5 years

Seen over a five-year period, the development of the group is described by the following financial highlights:

tDKK	Group				
	2023	2022	2021	2020	2019
<b>Profit/loss</b>					
Revenue	1,401,680	1,473,090	752,679	720,153	337,033
Operating profit/loss <sup>1</sup>	655	86,382	344,390	359,351	197,198
Profit/loss before financial income & Expenses	(414,583)	24,891	68,459	90,370	35,990
Net financials	10,106	(11,133)	(5,080)	(11,779)	2,495
Net profit/loss for the year	(394,581)	7,758	82,148	90,152	50,323
<b>Balance sheet</b>					
Balance sheet total	1,451,994	1,934,922	1,178,705	931,959	403,089
Equity	106,981	730,834	712,985	637,286	191,568
<b>Cash flows</b>					
<b>Cash flows from:</b>					
- Operating activities	196,490	41,749	(139,572)	173,115	35,093
- Investing activities	10,674	(66,074)	(171,183)	(91,447)	(13,454)
- Including investment in property, plant and equipment	(5,715)	(21,682)	(6,454)	(1,649)	(12,288)
- Financing activities	(167,458)	120,997	(20,617)	361,053	(6,012)
Change in cash and cash equivalents for the year	39,706	96,672	(331,372)	442,721	15,627
Average number of employees	697	590	385	230	151
<b>Ratios</b>					
Gross margin <sup>1</sup>	0.1%	5.9%	45.8%	49.9%	58.5%
Profit margin	(29.6%)	1.7%	9.1%	12.5%	10.7%
Return on assets	(28.6%)	1.3%	5.8%	9.7%	8.9%
Solvency ratio	7.4%	37.8%	60.5%	68.4%	47.5%
Return on equity	(94.2%)	1.1%	12.2%	21.8%	30.3%

The ratios have been calculated in accordance with the recommendations of the Association of Danish Financial Analysts. The ratios are defined as follows:

Gross margin	$\frac{\text{Operating profit/loss} \times 100}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$

<sup>1</sup> In 2023 and 2022 staff expenses are presented as part of operating income, which impact the gross margin negatively compared to previous years.

# Management review

## Key activities

Urban Partners (the “Group”) is a platform of vision-aligned, differentiated, investment strategies shaped around urban problem solving. The Group exists to power the progress of cities and citizens by investing to help solve the most pressing urban problems by uniting insights, stakeholders, and capital within the urban ecosystem. The aspiration is to deliver a long-term positive impact alongside attractive returns.

Urban Partners was founded in 2005 as Nordic Real Estate Partners (Nrep) to improve the built environment and is grounded in a solid track record of execution and trust with urban stakeholders and investors. As accelerating urbanization has put cities at the forefront of our greatest social, economic, and environmental challenges, Urban Partners has extended our impact over time to tackle these issues holistically and individually through our strategies – investing in sustainable urban tech solutions through 2150, and providing financing solutions to advance the green transition through Velo Capital. Nrep remains our ESG-focused real estate investor at scale, and these three strategies make up our vision-aligned investment platform with the name Urban Partners, launched in 2023. Together, we bring real solutions to real urban challenges – making cities a benefit, not a burden, for people and the planet.

Urban Partners has investments across 8 countries and more than DKK 152 billion under management across the three investment strategies that work independently based on a shared set of core values, towards the same vision of a future in which the urban environment universally contributes to the wellbeing of humanity and the welfare of the planet:

- **NREP** is a real estate investor committed to driving real change in the industry with a holistic ESG focus. With a successful track record, NREP is known for its ability to reimagine the built environment, including several large-scale neighbourhood developments. NREP manages **one of Europe’s largest real estate funds and** runs a platform with over 8 million square meters across eight countries. NREP has approximately EUR 19 billion (DKK 141.7 billion) assets under management across 10 funds. The **company’s carbon pledge is one of the most progressive in the industry with a target of becoming Net Zero by 2028.**
- **2150** is a venture capital firm investing in the sustainable reshaping of the broad urban

environment. 2150 backs entrepreneurs working at the forefront of the green transition and helps scale the companies and technologies with **long-term equitable impact across the whole ‘urban stack’, including how cities are built, designed, constructed, and powered, to the way people live, work and are cared for.** 2150 has successfully established two tech funds and is in the process of raising additional capital for Tech fund II. Assets under management amounts to approximately EUR 360 million (DKK 2,685 million).

- **Velo Capital** provides flexible real estate credit solutions, helping its customers focus on sustainable assets. With 10 years of alternative real estate credit track record, Velo oversees three active funds with approximately EUR 1 billion (DKK 7.5 billion) asset under management, **focusing on real estate assets in Germany’s top cities.** Velo Capital is currently in the process of launching new credit strategies across Northern Europe, with a keen focus on green financing.

The Group’s aspiration irrespective of strategy is to deliver long-term positive impact alongside attractive returns for its investors.

Urban Partners has three current, impact priorities:

- 1) Decarbonize the built environment;
- 2) (Re)Generate urban neighborhoods; and
- 3) Pioneer problem-solving partnerships to bridge the gap between interests of people, cities, and capital

thereby solving and powering the progress of cities and citizens by investing to help solve the most pressing urban problems and uniting insights, stakeholders, and capital to do so.

In this Report, Urban Partners is referring to the Group and Urban Partners A/S is referring to the Parent company.

## Key developments in the year

2023 was an eventful year for Urban Partners with several major milestones achieved. Notably in 2023 Urban Partners:

- Raised more than DKK 27,200 million (EUR 3,650 million) for a new Nrep fund (“NSF V”). The largest ever European value-add real estate fund
- Raised DKK 1,962 million (EUR 263 million) for Nrep Income+ fund
- Undertook via the NSF V fund several notable acquisitions including
  - o the majority stake (80%) in one of Poland’s largest logistics developers, “7R”, investing approximately DKK 1,490 million (EUR 200 million) into the company
  - o a majority stake (51%) in Swedish residential developer Klöver, providing access to a portfolio of over 20,000 homes
  - o a Swedish care home portfolio for approximately DKK 3,133 million (EUR 421 million)
  - o two Stockholm office acquisitions with a total leasable area of approximately 50,000 sqm
  - o 17 care properties in Finland valued at approximately DKK 745 million (EUR 100 million)
- Acquired new portfolio investments within 2150 Urban Tech Fund I which includes
  - o Kelvin Systems; Investing DKK 23.6 million (USD 3.5 million) in de-carbonizing legacy buildings in the US with technology reducing wasted energy and enables pinpoint temperature control
  - o Investment of DKK 75 million (EUR 10 million) in 1KOMMA5, a company seeking to help home decarbonization across Europe
- First close for 2150 Urban Tech Sustainability Fund II SCSp was on 7 July 2023, onboarding 10 LPs with a total commitment of DKK 648.9 million (EUR 87 million)
- DKK 970 million (EUR 130 million) was raised during 2023 in Velo Mezzanine Capital (“VMC”), a Northern Europe focused vehicle investing in primarily mezzanine loans Germany and the Nordics.
  - o Entered a financing agreement with Ylva, covering the final phase of the Lyyra building complex in Hakaniemi, Helsinki. This finance agreement supports Urban Partners dedication to green financing in Northern Europe.
  - o The Lyyra building complex aligns perfectly with Velo’s mission to drive sustainability through the capital structure and prioritizing projects that transform 'brown to green'
- Strengthened the leadership team by appointing the following individuals to Partner:
  - o Urban Partners
    - Xavier Himmer, COO
    - Amin Amirian, CHRO
  - o NREP
    - Toke Clausen, Head of Office
    - Joonas Lemström, Head of Finland

There was a net increase of 31 new employees during the year bringing the total number at the end of 2023 to 719.

## Overall Financial Result for the Year and follow-up on development expectations from last year

Overall, the Group’s income statement for the year ending 31 December 2023 shows a pre-tax loss of DKK 416.3 million (2022: DKK 21.0 million profit). The net loss for the year came to DKK 394.6 million (2022: DKK 7.8 million profit).

As at 31 December 2023 the Group’s balance sheet shows net equity of DKK 107.0 million compared to a DKK 730.8 million on 31 December 2022.

Whilst these results are naturally disappointing, they have, however, been heavily influenced by negative “non-operating” items including, most materially, promote and “promote-like” income write downs of DKK 258.8 million (2022: DKK 104.7 million income) which includes internal restructurings and associated adjustments to non-controlling interest in promote of DKK 30.2 million (2022: DKK 0). There was, furthermore, a write down of goodwill of DKK 204.6 million (2022: DKK 0) which relates to business acquisitions.

Management feels these reductions in profitability are not representative of the true ongoing business performance of Urban Partners. Instead, they reflect a combination of extraordinary one-off items and the overall fall in global investment markets created by wider macro-economic factors (namely interest and high inflation) and geo-political events (such as the Ukraine War etc.). The fall in investment markets had a material impact on investment returns globally and thereby anticipated promote and business acquisition valuations; this is not specific to Urban Partners nor its underlying business.

Considering the impacts outlined above, adjusted profit before tax ended at DKK 108.0 million, which is better than the expected range of DKK 70-80 million. Management considers this as a better measure of performance during 2023, and is satisfied with the **underlying operational result when adjusting for “non-operating” items**. This is also reflected in the Group cashflow statement in which ordinary “cash generating” business activities led to a significant increase in the group’s total cash position and the total accounting loss being materially impacted by non-cash, accounting related items.

	2023
	mDKK
<b>Adjusted profit</b>	
Profit before tax reported	(416.3)
<b>Specified items</b>	
Depreciation, amortisation and impairment losses	275.6
Financial income	(47.8)
Financial expenses	37.7
Fair value of promote recognized	139.6
Adjusted "promote like" management fee, before tax	119.2
<b>Adjusted profit</b>	<b>108.0</b>

	2023	2022	
<b>Revenue</b>	mDKK	mDKK	Delta %
Asset management fee	1,118.8	942.3	19%
Service corporate fee	304.4	223.2	36%
Other revenue	(21.3)	307.6	(107%)
<b>Total revenue reported</b>	<b>1,401.7</b>	<b>1,473.1</b>	<b>(5%)</b>

Total revenue ended at DKK 1,401.7 million, down 5% compared to 2022 (2022: DKK 1,473,1 million), which would ordinarily be considered as low compared to an expected revenue increase of 5-10%. However, the decline in revenue is the direct result of an adjustment to a **contingent consideration in a "promote like”** management fees from one of our major real estate management contracts. Adjusting for this, revenues rose year on year by 7.5 % (DKK 109.0 million). Total management fees for the year ended at DKK 1,118.8 million, up 19% compared to 2022 (2022: DKK 942.3 million) and service corporate fees ended at DKK 304.2 million, up 36% compared to 2022 (2022: DKK 223.2 million), representing a strong growth in the underlying core business and considered satisfactory by management compared to expectations.

Administrative expenses (excl. staff costs) for the year amounted to DKK 582.1 million, down 0.3% compared to 2022 (DKK 583.7 million), and staff costs amounted to DKK 818.9 million, up 2% compared to 2022 (DKK 803.0 million). The drop in total net operational costs is a result

of tight cost control and a number of simplification efforts throughout the year in response to a tough global macro-economic environment and is considered satisfactory – particularly in light of a growing underlying core business.

During 2023 Urban Partners increased the employee staff with 31 employees representing a year end increase of 4,5%, which is in line with the lower end of the expected 5-10% increase for the year and further reflects **management’s focus on costs prudence at this time**. The focus of recruitments has been on:

- asset management and operational staff to support a growing asset base
- staff supporting strategic focus areas such as country expansion, capital raise and sustainability
- staff supporting a stronger, more robust and scalable back-office housing multiple investment strategies (data, systems & regulatory)

### Targets and expectations for the year ahead

Urban Partners' management anticipates a marginally higher level of activity during 2024.

Whilst there are fund raising aspirations for all investment strategies during 2024, these are anticipated to take place over the course of the year, and none are of the scale of the NSF V final close experienced in 2023 (even allowing for a potential close of NSF VI during 2024) and so revenues are anticipated to grow by 0-5%.

Costs are expected to increase marginally year on year, as we balance the need for Urban Partners to continue to build its organization but at a slower pace than historically.

Given the current stabilization (if not recovery) of real estate markets in particular, NREP-related investments are expected to continue to stabilize and deliver solid fund returns and profitability for the Group. Maturing strategies in 2150 and Velo are expected to begin to stabilize and help **group profitability**. Overall “ordinary” operating profitability of the Group is expected to remain largely unchanged year on year except for anticipated costs of investigating potentials other investments strategies.

However, write downs recognized in 2023 related to promote and Goodwill are not anticipated to repeat during 2024 narrowing the divergence between operating performance and total accounting performance. Overall, the result for the coming year is expected to be in line with the longer-term strategic plans of the Group. Profit before taxes (excluding depreciation, amortization, impairment

losses, financials and promote) is expected to be in the range of DKK 0-10 million.

### **Market risks**

Management fees received from funds are primarily based on the committed or deployed capital. In Management's assessment, the risk profile of the Urban Partners is normal for this market.

The value assessments of properties, held directly or indirectly through equity investments, are inherently subject to some degree of uncertainty. To limit the risk to the greatest extent, all relevant properties have been assessed by external valuers, who are independent of the company.

In 2023 the ongoing war in the Ukraine had a very limited direct business impact on Urban Partners as the business has no assets in Russia, Belarus, or Ukraine and, as it predominantly operates close end funds with fees associated with equity commitments, short term valuation fluctuations do not materially impact income. However, an indirect impact due to the deterioration of the EU and global economy had some negative consequences also for the financials of the funds and ultimately for Urban Partners.

The greatest impacts continue to be higher construction costs across a broad range of building materials and higher energy prices than before (where Russia has been a major supplier). Urban Partners has not had any major delays or direct losses because of increased construction costs and as such the war in Ukraine had an ongoing moderate impact on the Group's real estate investment activity during 2023 (mainly affecting development projects) but one that is manageable.

A further impact and one that we anticipate having ongoing effects in 2024 is the effect of general higher inflation than existed previously, despite these having reached in many cases an apparent peak and interest rates having begun to fall.

Urban Partners has experienced higher interest rates on real estate pressure on the level of available financing due to the debt service ratios required by the lenders. This is resulting in lower loan-to-cost (LTC) and loan-to-value (LTV) levels provided by the banks, reducing the return potential for new investments currently. There was also particular stress on credit to Venture Capital activities in 2023 following the Silicon Bank failure (a material lender to this sector) but this has also not had a direct impact on Urban Partners itself.

Urban Partners' is now focusing on securing successful exits for the current investments in the exit pipeline as well as carefully managing the financing risk for new commitments.

The overall market environment such as higher interest rates resulting in higher financing costs, FX fluctuations, inflation pressures on construction materials, some tensions in some sectors resulting in certain disruptions for tenants' operations, and an the overall yield expansions in the Real Estate market, resulted in a decrease of valuation and of the funds' performance. While the management fees stream remain unimpacted, Urban Partners suffered of a notable decrease of some of the expected promote receivables which are based on the funds projected performances and returns.

### **Fraud risks**

Fraud risk is acknowledged as both an internal and external concern. Internally, it encompasses the risk of financial losses due to deceptive acts within the organization, such as misuse of company resources or falsifying transactions. To combat this, measures like the four-eyes principle for invoice processing, vigilant supervision of transactions, and meticulous record-keeping have been instituted, alongside annual audits. These efforts, coupled with forthcoming initiatives like enhanced payment guidelines and fraud awareness training, is expected to reduce the fraud risk.

Externally, the organization faces threats from outside actors, including cybercriminals and fraudulent vendors. Despite similar controls being applied, such as the four-eyes principle and transaction monitoring, the inherent risk posed by external fraud remains high, with residual risk evaluated as medium after considering the mitigations in place.

### **Foreign exchange risks**

The Group primarily receives management fees in EUR, whereas the Group's expenses are distributed between DKK, SEK, NOK, PLN, GBP, and EUR. This implies a risk in respect of exchange fluctuation of which the main part is however covered for operating purposes by matching income and expenses in the same currency. Urban Partners has a dedicated Treasury function which focus on treasury related risk areas.

## Interest rate risks

The interest rate risk of Urban Partners A/S and its affiliates consists mainly of external financing, which is split between floating and fixed rate instruments. On the reporting date the floating rate interest-bearing liabilities amounted to EUR 15.0 million and fixed rate interest-bearing liabilities to EUR 23.1 million. At the end of 2023, 61% of the non-current liabilities were at a fixed rate.

Urban Partners is indirectly exposed to interest rate risk through the Funds' performance. Funds have a dedicated policy for their own interest rate risk exposures.

## Development activities

During 2023 investments of DKK 22 million were made in development activities. Development projects include investments in digitalization projects and zero carbon activities and few new platforms as well as specific joint ventures with the aim of supporting the long-term strategy and focus areas of Urban Partners.

## Corporate Social Responsibility / Environmental, Social and Governance factors – Urban Partners

The Groups business model is described in the Management Review, under the Key Activities section.

Urban Partners has a policy to take a pioneering role in solving global and local sustainability challenges related to real estate. Urban Partners, including its strategies, want to develop better real estate products that enable:

- Citizens to live in environmentally sound and healthy houses at all stages of their life.
- Businesses to run their businesses sustainably by offering environmentally sound and healthy buildings.
- Environmentally sound and healthy urban development for a prosperous society.

Urban Partners' policies on environmental, social sustainability and health & safety articulate the Urban Partners' strategic commitment to build a prosperous future and are an integral part of Urban Partners' approach to risk management and value creation.

While buildings and development provide countless benefits to society, they also have significant environmental impacts. For example, approximately 40 % of the total energy use in the society, can be allocated to the operation of buildings and roughly 40% of global raw materials are used in buildings. Urban Partners focus on

efficient energy use, on reusing and recycling resources with greater effectiveness.

Urban Partners has policies in place covering the following areas: Environmental conditions, climate impacts, social conditions and personnel conditions, respect for human rights, anti-corruption, and bribery. The policies contain frameworks for compliance with the Group's own rules as well as applicable legislation. Urban Partners continuously supervises compliance with the policies and ensures that the policies are updated regularly to comply with applicable regulations and standards.

This work will continue going forward, and in 2023 has produced satisfactory results, measured in terms of impact.

Urban Partners translates this policy into action by striving to ensure that assets are subject to environmental improvement. This also include sustainability assessments in the due diligence process and developing a plan for improvement. In developments and new constructions, the company constantly endeavor to leap-frog and transform existing practices and processes for better environmental outcomes and to pursue opportunities for increasing the provision of natural energy. Risk management related to sustainability is a part of the policy.

Urban Partners' activities are exposed to various environmental risks including, but not limited to, physical climate risk and transition risk. Physical risks being storms, floods, heavy rain which are some of the most common physical risks in the Nordics. Transition risks are business-related risks that follow societal and economic shifts toward a low-carbon and more climate-friendly future. These risks can include policy and regulatory risks, technological risks, market risks, reputational risks, and legal risks.

Urban Partners' efforts in combatting climate change by reducing embodied and operational carbon footprint are highly aligned with Urban Partners' efforts to mitigate such climate change risks.

As part of the commitment to the SBTi, Urban Partners will establish science-based targets for both upfront embodied and operational GHG emissions for 2028.

For 2023, Urban Partners results and progress of the Environmental conditions are considered satisfactory. In the future, Urban Partners will continue to focus on this area and the ambition is to reach net zero emissions by 2028 for operational and embodied carbon emissions from real estate assets where Urban Partners has operational control as defined in Urban Partners' decarbonization

policy. Urban Partners is committed to take a leading role in the green transition.

### **Social and personnel conditions**

To achieve the Urban Partners' long-term objectives and deliver on its purpose, Urban Partners and its strategies policy is to build a team of different complementary personalities, skills, and backgrounds, that work together in a culture where Urban Partners value the differences. Urban Partners seeks a working environment that enables everyone to unleash their full potential and, at the same time, be treated fairly, equally, and respectfully.

Urban Partners translate the policy into action by enforcing a non-discriminatory and fair treatment as a natural principle and value that permeates all business activities. Urban Partners has since inception diligently focused on building a working environment and culture that is characterized by caring, equality, diversity, and respect, and that is free from oppression, discrimination, harassment, and bullying.

Urban Partners is committed to ensure compliance with local labor legislations and requirements in countries of operation. Employee satisfaction is measured continuously, using several KPIs, including, but not limited to: Leadership, Job satisfaction, Personal development, and Commitment.

The built environment has a profound impact on human health and wellbeing, both physically, mentally, and socially. By especially focusing on human-centric design, healthy materials, and smart integration and co-existence with nature, Urban Partners aspire to create healthy, supportive, beautiful, and diverse communities and environments.

Urban Partners seeks the best possible outcome with the stakeholders and is committed to establishing sustainable relationships to ensure social sustainability of its assets and any development projects. Urban Partners recognizes that, at every stage of development and operation potential, negative effects may occur due to lack of communication and stakeholder engagement. In the short and long terms, good management of communication and relationship with local stakeholders is essential to the business success of the developments and standing assets with potential impacts on local stakeholders.

Urban Partners' activities are exposed to various social and personnel risks including, but not limited to, social risk and health and wellbeing. Urban Partners is assessing this risk along with several other risks, as an integral part of Urban

Partners' process from lead stage and initial screenings through to Due Diligence and eventually Investment Committee. The risk assessments flags identified or potential risks that either requires further investigation or requires a next level screening to de-select the opportunity. Identified risks are, in subsequent steps, investigated in more detail to understand if they can be **managed/mitigated in a way that meets Urban Partners' underwriting and ESG requirements.**

Urban Partners has made their Diversity, Equity & Inclusion Policy available to all employees on its intranet. All employees are encouraged to regularly review this to ensure that Urban Partners meets its legal obligations as well as its moral obligations within the areas of equal treatment.

During 2023, Urban Partners has via its strategy Nrep, completed or are in the process of completing residential units of addressing student housing, community-based living, mixed generation communities, senior housing, care homes or rental apartments as **part of Urban Partners' journey to address societal challenges.**

For 2023, Urban Partners' results and progress for social and personnel conditions is considered satisfactory. Urban Partners expect to continue its focus on this area in the future.

### **Respect for human rights**

Urban Partners and its strategies do not tolerate slavery or human trafficking within its business or supply chains. Urban Partners has implemented an anti-trafficking and slavery policy and applies this to all employees, temporary workers, contract workers and third parties acting on the **Urban Partners' behalf.**

Urban Partners makes the policy available to all employees on its intranet, to ensure awareness of the topic of slavery and human trafficking and ensures that Urban Partners meets both its legal obligations as well as its moral obligations. All new suppliers or partners must provide assurance that they do not engage in slavery or human trafficking.

The provisions of this policy are subject to compliance with **applicable legal requirements in the Urban Partners' countries of operation.**

Urban Partners' activities are exposed to various human rights risks including, but not limited to reputational risk of noncompliance.

As a minimum, Urban Partners will meet all local requirements (including but not limited to requirements regarding local community consultation), assess risks and opportunities as part of due diligence and, in addition, proactively engage with relevant local stakeholders to mitigate risks where potential risks are identified.

Urban Partners communicates the policy to employees, suppliers, and contractors to inspire, motivate, create awareness and to actively invite for broad participation.

Urban Partners presents the policy to all onboarding employees and annually to the rest of Urban Partners, to ensure awareness of the topic of slavery and human trafficking and ensure that Urban Partners meets both its legal obligations as well as its moral obligations. For 2023, **Urban Partners' results and progress** with respect to human rights is considered satisfactory. In the future, Urban Partners will continue focus on this area.

### **Anti-corruption and bribery**

Urban Partners and its strategies are committed to conducting all its business operations in an honest, fair, transparent, and ethical manner. Corruption inhibits economic growth and affects business operations, employment, and investments. To avoid the negative consequences of corruption, Urban Partners has implemented an Anti-Bribery and Corruption Policy, prohibiting any form of corruption and bribery in connection with its business activities. The Risk and Compliance Committee monitor the implementation of this policy and coordinate periodic training on this policy for Urban Partners and the employees of each strategy. **Urban Partners' activities are exposed to various anti-corruption and bribery risks** including, but not limited to reputational risk and risk of noncompliance. Urban Partners will, at a minimum meet, all local requirements (including but not limited to those relating to local community consultation), will assess risks and opportunities as part of due diligence and will proactively engage with relevant local stakeholders, where potential risks are identified, to mitigate such risks. Urban Partners communicates its policy to employees, suppliers, and contractors to inspire, motivate, create awareness and to actively invite for broad participation. For 2023, **Urban Partners' results and progress for Anti-corruption and bribery** is considered satisfactory. Urban Partners will continue to focus on this area in the future.

### **Account of the gender composition of management**

Urban Partners and its strategies are committed to encouraging a working environment that promotes equality, inclusion, and diversity by providing equal opportunity for employment, training, advancement, and development.

Urban Partners has developed a Diversity, Equity & Inclusion Policy to promote equality and diversity and is committed to never discriminating in employment or remuneration due to race, color, religion, sex, political opinion, national extraction, social origin, or any other attribute which bears no relation to the job performed. To further promote workplace awareness, diversity, and inclusion, a rainbow/LGBTQIA community has been initiated recently.

### **Numerical overview of underrepresented gender in Urban Partners' management levels**

Over the past years, Urban Partners and its strategies has steadily increased the percentage of female talent in the organization, up from 25 % in 2016 to 43 % today. In recent years, women have joined both the Partner group, Advisory board, and Board of Directors. The level of female representation, however, in relation to the composition of senior management forums requires a matter of ongoing focus and attention to further improve this aspect of the Groups diversity metrics:

Senior management body:

- Board of Directors consists of four men (80%) and one woman (20%).

**Urban Partners' target has not yet been reached** but the focus will be on reaching this target within the next 5 years.

The candidates considered were balanced in gender and ultimately led to the election of the candidate most aligned with the profile and experience the company wanted to add to the board at this time.

Other levels of management:

- Executive Leadership Council consists of ten men (91%) and one woman (9%)
- Operations Management Team consists of seven men (50%) and seven women (50%)

One of the two other levels of management within Urban Partners has equal distribution of men and women.

In 2023 the focus for the Board of Directors was to ensure larger representation of external counterparties, which increased from 40% to 60%. No changes were made to the gender composition in the board during 2023.

To increase the percentage of the under-represented gender, Urban Partners has implemented different initiatives. As an example Urban Partners has a standardized recruitment criteria and through 2023 has made a special effort to ensure a strong pipeline of female candidates by targeting job ads and search efforts. Furthermore, Urban Partners' assessment criteria for new joiners and annual performance assessments are

designed to minimize bias against any population and encourage a diverse workforce. Subsequent to the date of this report Urban Partners has set itself the target to hire 50% of all new analysts as the under-represented gender across the workforce.

These initiatives will be continued in 2024 and expanded upon to further the diversity agenda.

The Executive Leadership Council and the Operations Management Team consists of 25 in total. However, it is only 19 persons that meets the criteria in 99b i.e. have responsibility for employees. Thus only the 19 is included in the table below.

**Schematic five-year overview - gender composition of the management in Urban Partners**

	2023
<b>Highest governing body</b>	
Total number of members	5
Underrepresented gender (in percentage)	20%
Target figure (in percentage)	40%
Year for meeting target figure	2028
<b>Urban Partners' other management levels</b>	
Total number of members	19
Underrepresented gender (in percentage)	16%
Target figure (in percentage)	20%
Year for meeting target figure	2028

**Data ethics**

Urban Partners and its strategies assess that data ethics is data security, it's the right to privacy for Urban Partners' employees and it's the organization's methods of archiving and documentation.

Urban Partners has developed an Information Security Policy, Privacy Policy and Documentation Policy which all covers the subject data ethics and therefore can be placed in the main category 'data ethics policies'.

Urban Partners' Information Security Policy covers topics like PC's, mobile devices, asset management, access management, encryption, physical security and environmental security, operational security, communication security, acquisition, development and maintenance of systems, supplier relations, in-formation security incident management, information security aspects of emergency, contingency and recovery management, and compliance.

Urban Partners' Privacy Policy covers data gathered before employment, during employment, master data, personal data concerning health and data about next of kin, reprimands, warnings, data about control measures,

use of photos, severance service, sources, storage and erasure, other recipients who may process personal data, transfer of personal data to third countries, employee rights, filing of complaints with the national data protection agency, archiving and documentation.

Urban Partners' Documentation Policy covers duties and responsibilities, preservation of information, format of recording, archiving and documentation.

All these policies are an integral part of Urban Partners' work to secure compliance with applicable laws and regulation in general. This includes setting up internal controls and making sure Urban Partners has sufficient competencies in place by providing training to relevant functions.

Urban Partners is aware of the digital operations resilience act entering ("DORA") into force by 2025. As DORA applies to companies within the financial sector, Urban Partners is currently assessing the necessary measures to be considered prior to the implementation of the regulation applicable to Urban Partners and its verticals.

## Income statement

tDKK	Note	Group		Parent	
		2023	2022	2023	2022
<b>Revenue</b>	1	<b>1,401,680</b>	<b>1,473,090</b>	<b>378,143</b>	<b>663,782</b>
Administrative expenses		(582,112)	(583,742)	(164,591)	(206,353)
Staff expenses	2	(818,913)	(802,966)	(298,141)	(376,318)
<b>Operating profit/loss</b>		<b>655</b>	<b>86,382</b>	<b>(84,589)</b>	<b>81,111</b>
Income from investments in associates related to Group managed funds <sup>2</sup>	13	(82,402)	2,115	-	-
Income from investments in other investments related to Group managed funds <sup>2</sup>	14	(62,041)	(16,629)	-	686
Income from investments in joint ventures related to Group managed funds <sup>2</sup>	12	4,797	-	-	-
Depreciation and impairment	6,7,8	(275,592)	(46,977)	(14,042)	(4,882)
<b>Profit/loss before financial income &amp; expenses</b>		<b>(414,583)</b>	<b>24,891</b>	<b>(98,631)</b>	<b>76,916</b>
Income/loss from investments in subsidiaries	9	-	-	(106,047)	(19,672)
Income/loss from investments in joint ventures	12	(3,554)	(6,397)	14,552	(6,397)
Income/loss from investments in associates	13	(1,118)	(285)	(1,093)	(471)
Income/loss from investments in other investments	14	(7,282)	14,148	-	-
Net gain/loss in sale of shares in other investments		82	(221)	121	-
Financial income	3	47,827	5,559	47,085	4,151
Financial expenses	4	(37,721)	(16,692)	(40,777)	(30,152)
<b>Profit/loss before tax</b>		<b>(416,349)</b>	<b>21,003</b>	<b>(184,790)</b>	<b>24,375</b>
Tax on profit/loss for the year	5	21,768	(13,245)	26,515	(16,102)
<b>Net profit/loss for the year</b>		<b>(394,581)</b>	<b>7,758</b>	<b>(158,275)</b>	<b>8,273</b>
Thereof:					
Attributable to the shareholders		(358,180)	3,835		
Attributable non-controlling interests		(36,401)	3,923		
		<b>(394,581)</b>	<b>7,758</b>		
<b>Item that may be reclassified to profit or loss</b>					
Exchange rate adj. on translation of foreign operations		1,646	(4,781)		
<b>Total other comprehensive income</b>		<b>1,646</b>	<b>(4,781)</b>		
<b>Total comprehensive income</b>		<b>(392,935)</b>	<b>2,977</b>		
Thereof:					
Attributable to the shareholders		(356,539)	(927)		
Attributable non-controlling interests		(36,396)	3,905		
		<b>(392,935)</b>	<b>2,977</b>		

<sup>2</sup> Income from investments in Group managed funds relates to promote (carried interest).

## Balance sheet

tDKK	Note	Group		Parent	
		2023	2022	2023	2022
Goodwill		117,262	321,847	-	-
Software		38,063	17,348	32,471	17,348
Other intangible		148,775	164,869	-	-
Development projects in progress		7,168	15,525	5,370	15,266
<b>Intangible assets</b>	6	<b>311,268</b>	<b>519,589</b>	<b>37,841</b>	<b>32,614</b>
Land and buildings	7	375	1,612	-	1,160
Other fixtures, fittings, tools and equipment	7	16,604	19,549	8,936	8,764
Leasehold improvements	7	4,733	6,321	2,439	3,600
Right-of-use assets	8	84,150	64,713	-	-
<b>Property, plant and equipment</b>		<b>105,862</b>	<b>92,195</b>	<b>11,375</b>	<b>13,525</b>
Investments in subsidiaries	9	-	-	521,431	565,571
Investments in joint ventures	12	23,091	1,727	2,539	1,727
Investments in associates	13	20,554	134,952	12,030	13,134
Receivables from group enterprises	14	-	-	19,477	23,888
Other investments	14	185,436	317,811	57,817	41,280
Other receivables	14	91,637	225,756	81,898	216,219
Deferred tax asset	5	55,361	50,657	32,687	32,481
<b>Total other non-current assets</b>		<b>376,079</b>	<b>730,902</b>	<b>727,879</b>	<b>894,300</b>
<b>Total non-current assets</b>		<b>793,209</b>	<b>1,342,686</b>	<b>777,095</b>	<b>940,439</b>
Trade receivable	15	112,542	206,783	30,290	115,111
Receivables from group enterprises	15	-	-	9,911	415,857
Other receivables and income tax rec.	15	230,422	112,158	102,660	89,091
Other current assets	16	20,709	16,601	10,323	11,160
Cash		295,112	256,694	540	36
<b>Total current assets</b>		<b>658,785</b>	<b>592,236</b>	<b>153,724</b>	<b>631,255</b>
<b>Total assets</b>		<b>1,451,994</b>	<b>1,934,922</b>	<b>930,819</b>	<b>1,571,694</b>
Share capital	18	1,380	1,366	1,380	1,366
Equity method reserve		-	-	-	(32,246)
Reserve for foreign currency translation		(23)	(4,422)	-	-
Reserve for development costs		-	-	4,189	11,908
Retained earnings		93,521	642,683	36,974	406,359
<b>Equity attributable to Urban Partners A/S</b>		<b>94,879</b>	<b>639,627</b>	<b>42,543</b>	<b>387,386</b>
Minority interests	19	12,102	91,207	-	-
<b>Equity</b>		<b>106,981</b>	<b>730,834</b>	<b>42,543</b>	<b>387,386</b>
Provisions	26	13,856	53,651	4,231	6,794
Lease liabilities	8	62,810	33,485	-	-
Tax liabilities		-	6,976	-	-
Deferred tax liabilities	5	47,601	78,464	-	26,218
Other payables	21	288,397	187,518	288,397	171,494
<b>Total non-current liabilities</b>		<b>412,664</b>	<b>360,094</b>	<b>292,628</b>	<b>204,506</b>
Lease liabilities	8	24,522	32,422	-	-
Borrowings	21	20,273	93,139	20,273	93,139
Trade payables	21	252,763	276,087	211,354	268,113
Payables to group enterprises		-	-	253,471	528,940
Other payables	21	634,791	442,346	110,550	89,609
<b>Total current liabilities</b>		<b>932,349</b>	<b>843,994</b>	<b>595,648</b>	<b>979,802</b>
<b>Total liabilities</b>		<b>1,345,013</b>	<b>1,204,088</b>	<b>888,276</b>	<b>1,184,308</b>
<b>Total equity and liabilities</b>		<b>1,451,994</b>	<b>1,934,922</b>	<b>930,819</b>	<b>1,571,694</b>

## Statement of changes in Equity

tDKK	Group					
	Share capital	Reserve for foreign currency translation	Retained earnings	Equity attributable to owners of the parent company	Non-controlling interests	Total
<b>2023</b>						
Equity at 1 January	1,366	(4,421)	642,684	639,628	91,207	730,835
Net profit/loss for the year	-	-	(358,180)	(358,180)	(36,401)	(394,581)
Exchange rate adj. related to foreign entities	-	4,399	(2,758)	1,641	5	1,646
<b>Total comprehensive income</b>	<b>-</b>	<b>4,399</b>	<b>(360,938)</b>	<b>(356,539)</b>	<b>(36,396)</b>	<b>(392,935)</b>
Capital increase	14	-	43,356	43,370	-	43,370
Purchase of treasury shares	-	-	(192,717)	(192,717)	-	(192,717)
Sale of treasury shares	-	-	14,571	14,571	-	14,571
Purchase of non-controlling interest	-	-	(53,434)	(53,434)	1,169	(52,265)
Sale of non-controlling interest	-	-	-	-	(29,876)	(29,876)
Non-controlling dividend	-	-	-	-	(14,002)	(14,002)
<b>Equity at 31 December</b>	<b>1,380</b>	<b>(22)</b>	<b>93,522</b>	<b>94,879</b>	<b>12,102</b>	<b>106,981</b>
<b>2022</b>						
Equity at 1 January	1,359	341	623,983	625,682	87,302	712,985
Net profit/loss for the year	-	-	3,835	3,835	3,923	7,758
Exchange rate adj. related to foreign entities	-	(4,762)	-	(4,762)	(19)	(4,781)
<b>Total comprehensive income</b>	<b>-</b>	<b>(4,762)</b>	<b>3,835</b>	<b>(927)</b>	<b>3,905</b>	<b>2,977</b>
Capital increase	7	-	14,866	14,873	-	14,873
<b>Equity at 31 December</b>	<b>1,366</b>	<b>(4,421)</b>	<b>642,684</b>	<b>639,628</b>	<b>91,207</b>	<b>730,835</b>

tDKK	Parent				
	Share capital	Equity method reserve	Reserve for development costs	Retained earnings	Total
<b>2023</b>					
Equity at 1 January	1,366	(32,246)	11,908	406,359	387,386
Net profit/loss for the year	-	27,847	-	(186,122)	(158,275)
Exchange rate adj. foreign entities	-	4,399	-	(2,755)	1,644
Capital increase	14	-	-	43,356	43,370
Purchase of treasury shares	-	-	-	(192,717)	(192,717)
Sale of treasury shares	-	-	-	14,571	14,571
Acquisition of minority interests	-	-	-	(53,437)	(53,437)
Development costs for the year (net of tax)	-	-	(7,719)	7,719	-
<b>Equity at 31 December</b>	<b>1,380</b>	<b>-</b>	<b>4,189</b>	<b>36,974</b>	<b>42,543</b>
<b>2022</b>					
Equity at 1 January	1,359	7,530	3,895	356,197	368,981
Net profit/loss for the year	-	(26,535)	-	34,807	8,273
Exchange rate adj. foreign entities	-	(4,739)	-	-	(4,739)
Capital increase	7	-	-	14,866	14,873
Other movements associates & JV	-	(8,501)	-	8,501	-
Development costs for the year (net of tax)	-	-	8,013	(8,013)	-
<b>Equity at 31 December</b>	<b>1,366</b>	<b>(32,246)</b>	<b>11,908</b>	<b>406,359</b>	<b>387,386</b>

## Statement of cash flow

tDKK	Note	Group	
		2023	2022
Net profit/loss for the year		(394,581)	7,758
<b>Adjustments to reconcile profit before tax to net cash flows:</b>			
Financial income	3	(47,827)	(5,559)
Financial expenses	4	37,721	16,692
Depreciation, amortisation and impairment losses	6,7,8	275,592	46,977
Loss (gain) on intangible assets	6	5,477	4,238
Loss (gain) on disposal property, plant and equipment	7	1,240	(258)
Loss (gain) in sale of shares in other investments		(82)	221
Income from Investments in associates	13	1,118	285
Income from investments in joint ventures	12	3,554	6,397
Income from investment in other investments	14	7,282	(14,148)
Income from investments in associates related to Group managed funds	13	82,402	(2,115)
Income from other investments in Group managed funds	14	62,041	16,629
Carried interest in joint ventures related to Group managed funds		(4,797)	-
Tax on profit/loss for the year	5	(21,768)	13,245
<b>Changes in net working capital:</b>			
Change in other non-current receivables		134,119	(212,645)
Change in receivables and other receivables		90,133	(24,228)
Change in other current financial assets		(118,264)	(51,098)
Change in trade payables and other payables		123,979	162,203
Change in non-current other payables		4,599	78,201
Provisions		(39,795)	2,227
Exchange rate realised net	3,4	(1,597)	2,692
Income tax paid	5	(4,056)	(5,966)
<b>Net cash flow from operating activities</b>		<b>196,490</b>	<b>41,749</b>
Acquisition of subsidiaries, net cash acquired	11	-	14,697
Purchase of intangible assets (including business combinations)	6	(27,901)	(32,062)
Purchase of property, plant and equipment	7	(5,715)	(21,683)
Purchase of investments in associates	13	-	(33)
Purchase of investments in joint ventures	12	(4,373)	(7,180)
Disposal of investments in associates	13	428	7,156
Purchase of other non-current financial assets	14	(27,495)	(47,338)
Disposal of other non-current financial assets	14	6	3,616
Interest income received	3	3,831	392
Dividend income received	12,13,14	71,894	16,360
<b>Net cash flow from investing activities</b>		<b>10,674</b>	<b>(66,074)</b>
Capital increase	17	-	14,873
Proceed from borrowings	21	106,130	151,406
Repayment of principal portion of lease liabilities	8	(37,367)	(28,590)
Acquisition of non-controlling interest		(9,350)	-
Purchase of treasury shares		(192,717)	-
Sale of treasury shares		14,571	-
Interest paid	4	(34,724)	(16,692)
Dividend paid to non-controlling interest	10	(14,002)	-
<b>Cash flow from financing activities</b>		<b>(167,458)</b>	<b>120,997</b>
<b>Change in cash and cash equivalents</b>		<b>39,706</b>	<b>96,672</b>
Cash and cash equivalents at 1 January		256,694	171,603
Exchange adjustment of cash and cash equivalents		(1,288)	(11,581)
<b>Cash and cash equivalents at 31 December</b>		<b>295,112</b>	<b>256,694</b>

# Notes to the financial statement

## 1. Revenue

tDKK	Group							Total
	Corporate	Living	Logistic	Office	D&I	Care	Credit	
<b>2023</b>								
Asset Management Fee	745,190	102,446	83,443	30,919	65,364	8,021	83,383	1,118,766
Service corporate fee	63,878	126,921	27,604	30,794	49,014	6,016	-	304,227
Other revenue	16,445	(37,917)	159	-	-	-	-	(21,313)
<b>Total</b>	<b>825,513</b>	<b>191,450</b>	<b>111,206</b>	<b>61,713</b>	<b>114,378</b>	<b>14,037</b>	<b>83,383</b>	<b>1,401,680</b>
<b>2022</b>								
Asset Management Fee	527,187	95,239	115,821	60,508	47,640	28,545	67,380	942,320
Service corporate fee	48,550	82,269	21,716	21,737	37,959	10,987	-	223,218
Other revenue	8,477	299,075	-	-	-	-	-	307,552
<b>Total</b>	<b>584,214</b>	<b>476,583</b>	<b>137,537</b>	<b>82,245</b>	<b>85,599</b>	<b>39,532</b>	<b>67,380</b>	<b>1,473,090</b>

tDKK	Parent							Total
	Corporate	Living	Logistic	Office	D&I	Care	Credit	
<b>2023</b>								
Asset Management Fee	8,934	40,580	12,341	26,346	27,697	1,638	-	117,536
Service corporate fee	24,530	53,626	1,874	26,854	25,935	3	-	132,822
Other revenue	6,486	(181,350)	-	-	-	-	-	(174,864)
Internal Advisory Fee	303,751	-	-	(1,102)	-	-	-	302,649
<b>Total</b>	<b>343,701</b>	<b>(87,144)</b>	<b>14,215</b>	<b>52,098</b>	<b>53,632</b>	<b>1,641</b>	<b>-</b>	<b>378,143</b>
<b>2022</b>								
Asset Management Fee	(3,112)	40,083	17,602	54,398	30,112	7,431	-	146,514
Service corporate fee	11,414	40,160	3,548	21,756	23,448	3,538	-	103,864
Other revenue	13,575	183,193	(86)	-	-	-	-	196,682
Internal Advisory Fee	216,722	-	-	-	-	-	-	216,722
<b>Total</b>	<b>238,599</b>	<b>263,436</b>	<b>21,064</b>	<b>76,154</b>	<b>53,560</b>	<b>10,969</b>	<b>-</b>	<b>663,782</b>

For the Group, business line Corporate, Other revenue income mainly relates to revenues generated by platforms that operate the real estate investments in which Urban Partner managed funds invests, thereby generating additional revenue for the manager.

Under business line Living, Other revenue, both Parent and Group are affected by the reversal of contingent consideration from 2022 totalling DKK 181.4 million.

In 2022, for the Parent, business line Corporate, Asset management fee is affected by a different allocation of business accruals in 2021.

## 2. Staff expenses

tDKK	Group		Parent	
	2023	2022	2023	2022
Wages and salaries	709,454	597,671	306,308	276,755
Pensions	63,270	52,206	20,210	18,694
Other social security expenses	49,057	40,507	2,329	(689)
Other staff expenses	(2,868)	112,583	(30,706)	81,558
<b>Total</b>	<b>818,913</b>	<b>802,966</b>	<b>298,141</b>	<b>376,318</b>
<b>Average number of employees</b>	<b>697</b>	<b>590</b>	<b>272</b>	<b>247</b>

Other staff expenses include staff recruitment costs and the costs of temporary workers.

### Key Management Compensation

The key management for Urban Partners has been defined as the Executive Leader Council which consist of 11 persons (2022: 15 persons) and Board of Directors. The compensation paid or payables to key management for employee services is shown below:

tDKK	Group	
	2023	2022
Wages and salaries	44,984	48,857
Pensions, defined contribution plans	-	316
<b>Total</b>	<b>44,984</b>	<b>49,174</b>
<b>Compensation to the Board of Directors and Executive Management</b>		
Compensation to the Board of Directors	1,457	2,082
Compensation to Executive Board	7,607	7,855
<b>Total Compensation to the Board of Directors and Executive Management</b>	<b>9,064</b>	<b>9,937</b>
Compensation to other Key Management personnel	35,920	39,236
	<b>44,984</b>	<b>49,174</b>

As regards to the share based payment reference is made to note 17 share base payment.

### 3. Financial Income

tDKK	Group		Parent	
	2023	2022	2023	2022
Dividends on share in other investments	-	-	-	500
Interest received from group enterprises	-	-	2,469	1,472
Exchange gains	-	2,692	-	-
Other interest income	3,831	392	632	390
Other financial income	43,996	2,474	43,984	1,789
<b>Total</b>	<b>47,827</b>	<b>5,559</b>	<b>47,085</b>	<b>4,151</b>

Other financial income is in 2023 impacted by a reversal of contingent consideration totalling DKK 37.7 million.

### 4. Financial expenses

tDKK	Group		Parent	
	2023	2022	2023	2022
Interest paid to group enterprises	-	-	10,754	9,274
Other interest expenses	31,854	15,360	29,403	13,775
Exchange losses	1,597	-	620	7,103
Lease expenses	2,869	1,332	-	-
Value adjustments other investments	1,401	-	-	-
<b>Total</b>	<b>37,721</b>	<b>16,692</b>	<b>40,777</b>	<b>30,152</b>

Other interest expenses refers to interest on the group's working capital facility, interest on cash management services and other bank charges.

## 5. Income tax

The major components of income tax expense for the years ended 31 December 2023 and 2022 are:

tDKK	Group		Parent	
	2023	2022	2023	2022
Current tax for the year	(13,799)	(6,976)	-	-
Deferred tax for the year	35,567	(6,269)	26,515	(16,102)
<b>Income tax expense – income statement</b>	<b>21,768</b>	<b>(13,245)</b>	<b>26,515</b>	<b>(16,102)</b>

Reconciliation of tax expense and the accounting profit multiplied by Denmark's domestic tax rate for 2023 and 2022:

<b>At Denmark's statutory income tax rate of 22%</b> (2022: 22%)	<b>(91,597)</b>	<b>4,621</b>	<b>(40,654)</b>	<b>5,363</b>
<b>Tax effects</b>				
Non-taxable income	(3,640)	4,928	(7,623)	4,928
Non-deductible expenses	74,299	6,639	23,072	4,807
Other	(830)	(2,943)	(1,310)	1,005
<b>Tax effects, total</b>	<b>69,829</b>	<b>8,624</b>	<b>14,139</b>	<b>10,739</b>
<b>Tax expenses</b>	<b>21,768</b>	<b>(13,245)</b>	<b>26,515</b>	<b>(16,102)</b>
Effective tax rate	-6%	-63%	-17%	-66%
<b>Deferred tax assets</b>				
Provision for deferred tax assets at 1 January	(50,657)	(33,872)	(32,481)	(22,365)
Amounts recognised in the statement of income	(4,704)	(16,785)	(206)	(10,116)
<b>Deferred tax assets at 31 December</b>	<b>(55,361)</b>	<b>(50,657)</b>	<b>(32,687)</b>	<b>(32,481)</b>
<b>Deferred tax liabilities</b>				
Provision for deferred tax liabilities at 1 January	78,464	-	26,218	-
Deferred tax liabilities as part of business combination	-	55,410	-	-
Amounts recognised in the statement of income	(30,863)	23,054	(26,218)	26,218
<b>Deferred tax liabilities at 31 December</b>	<b>47,601</b>	<b>78,464</b>	<b>-</b>	<b>26,218</b>
Other receivables	-	26,218	-	26,218
Other Intangible	48,527	55,410	-	-
Tax loss carry-forward	(55,361)	(50,657)	(32,687)	(32,481)
Other	(926)	(3,164)	-	-
	<b>(7,760)</b>	<b>27,807</b>	<b>(32,687)</b>	<b>(6,263)</b>
Of which presented as deferred tax assets	55,361	50,657	32,687	32,481
Of which presented as deferred tax liabilities	(47,601)	(78,464)	-	(26,218)

Non-taxable income of DKK 3.6 million (2022: DKK 4.9 million) and non-deductible expenses of DKK 74.3 million (2022: DKK 6.6 million) is mainly related to impairment and income from investments related to Group managed funds.

Utilization of deferred tax assets is dependent on future taxable profit. Management has considered budgets and future business plans when evaluating recognition of deferred tax assets and finds that there is convincing evidence that sufficient taxable profit will be available against which the deferred tax assets can be utilized. Recognized deferred tax assets amount to DKK 55.4 million (2022: DKK 50.7 million).

## 6. Intangible assets

tDKK	Group				Total
	Software	Other intangible assets	Development projects in progress	Goodwill	
<b>2023</b>					
Cost at 1 January	22,117	182,886	15,525	321,847	542,375
Additions for the year	5,781	-	22,121	-	27,902
Disposals for the year	(3,735)	-	(5,477)	-	(9,212)
Transfer	25,002	-	(25,002)	-	-
Movements due to currency	-	20	1	-	21
<b>Cost at 31 December</b>	<b>49,165</b>	<b>182,906</b>	<b>7,168</b>	<b>321,847</b>	<b>561,086</b>
Impairment & amortisation at 1 January	(4,769)	(18,017)	-	-	(22,786)
Impairment & amortisations	(10,068)	(16,102)	-	(204,585)	(230,755)
Disposals for the year	3,735	-	-	-	3,735
Movements due to currency	-	(12)	-	-	(12)
<b>Impairment &amp; amortisation at 31 December</b>	<b>(11,102)</b>	<b>(34,131)</b>	<b>-</b>	<b>(204,585)</b>	<b>(249,818)</b>
<b>Carrying amount at 31 December</b>	<b>38,063</b>	<b>148,775</b>	<b>7,168</b>	<b>117,262</b>	<b>311,268</b>
<b>2022</b>					
Cost at 1 January	3,735	13,051	6,913	-	23,699
Additions for the year	17,750	170,972	12,345	321,847	522,914
Disposals for the year	-	(1,137)	(3,101)	-	(4,238)
Transfer	632	-	(632)	-	-
<b>Cost at 31 December</b>	<b>22,117</b>	<b>182,886</b>	<b>15,525</b>	<b>321,847</b>	<b>542,375</b>
Impairment & amortisation at 1 January	(3,735)	(5,825)	-	-	(9,560)
Impairment & amortisation	(1,034)	(12,191)	-	-	(13,225)
<b>Impairment &amp; amortisation at 31 December</b>	<b>(4,769)</b>	<b>(18,017)</b>	<b>-</b>	<b>-</b>	<b>(22,786)</b>
<b>Carrying amount at 31 December</b>	<b>17,348</b>	<b>164,869</b>	<b>15,525</b>	<b>321,847</b>	<b>519,589</b>

Development projects in progress with carrying value of DKK 7.2 million (2022: DKK 15.5 million) holds capitalized costs related to Software. Other Intangible assets of DKK 148.8 million (2022: DKK 164.9 million) consists mainly of customer relationships and brand.

The carrying value of DKK 266.0 million (2022: DKK 486.7 million) in intangible assets (goodwill and other intangibles) is mainly related to the acquisition of Flins Capital Partners GmbH and the Oak group of companies where Urban Partners acquired control in 2022 (now described as Velo under Urban Partners ownership).

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. See next page for impairment test.

## Impairment test of goodwill

For the purpose of the impairment testing, goodwill and other intangibles acquired through business combinations are allocated to each of the Group's cash generating units (CGU). A cash-generating unit to which goodwill and other intangible assets has been allocated is tested for impairment annually, or more frequently if there is any indication that the unit may be impaired.

The determination of the recoverable amount of a CGU to which goodwill is allocated requires significant Management judgement in determining the various assumptions, such as cash flow projections, discount rate and terminal growth rates. The sensitivity of the estimated measurement of these assumptions, combined or individually, can be significant.

The value-in-use calculations are based on the management approved budget for 2024 and forecast for 2025-2028 with a calculated terminal value thereafter.

The cashflows applied in the budget period reflects Management's best estimate of future cash flows from Management fees and other cash inflows from the business acquired, which also includes the assumption of continued expansion and investments in new Funds as planned as part of the acquisition. The cash outflows reflect the best estimate of costs of operating the business acquired including the cost supporting the contemplated growth.

Cash flows beyond the five-years budget period are expected to grow with the rate stated below. The growth rate is consistent with forecasts included in the industry reports specific to the industry where the CGU operates.

In calculating the present value, the discount rate applied reflects the risk-free interest rate with the addition of risks relating to the CGU, such as the market and financial exposures.

Key assumptions affecting the future cash flows of the CGU is as follows:

- Investment Management Fees from the launch of new Funds, AF IV, V, VI and VII are included in the impairment test. Fund raising of capital is in alignment with management's expectations for the period 2025 to 2028
- Revenue from a promote like structure is based on the outperformance of the underlying loans in AF1 in which a proportion of the cash return generated from these loans, above a threshold paid to investors on a yearly basis, is shared with the manager
- Long-term growth-rate: 2% (2022: 1%)
- WACC (pre-tax): 13.5% which reflect specific risks of the CGU (2022: 13.0%)

Key assumptions for the impairment test are determined based on Managements' views incorporating their respective knowledge, market insights and future expectations. The views are developed and supported by market information obtained through relevant research and direct correspondence with market participants.

The tests performed at the end of 2023 showed the recoverable amounts were lower than the carrying amounts and therefore an impairment was recognised. The impairment test showed an enterprise value at DKK 214.3 million.

The enterprise value has been negatively impacted by the overall fall in global investment markets. This has particularly impacted real estate rental income and investment yields, in turn impacting real estate credit income and loan recoverability. Both aspects negatively impacted the performance of credit funds managed by the CGU versus expectations thereby negatively impacting associated enterprise value. This leads to write down on goodwill (DKK 204.6 million). The write down is primarily consequence of lower performance of the underlying loans than previously anticipated.

The calculation of enterprise value is based on a number of assumptions containing significant estimations which by nature creates uncertainty. To ensure that substantial changes in the assumptions will not affect the recoverable amount in such way that a larger impairment is required a sensitivity analysis has been prepared.

The analysis showed if the WACC is changed +/-1% the impairment would be within the range of DKK 187.0 million to DKK 225.8 million.

The sensitivity analysis was performed with the same terminal growth rate and a change of +/-1% in WACC, as these are significant inputs in the calculation of the recoverable amount.

tDKK	WACC	Valuation	Movement
<b>Applied WACC</b>	<b>13.5%</b>	<b>214,360</b>	
Change -1% pp	12.5%	235,512	21,151
Change +1% pp	14.5%	196,742	(17,619)

## 6. Intangible assets (continued)

tDKK	Parent		
	Software	Development projects in progress	Total
<b>2023</b>			
Cost at 1 January	22,117	15,266	37,383
Additions for the year	-	20,583	20,583
Disposals for the year	(3,735)	(5,477)	(9,212)
Transfer	25,002	(25,002)	-
<b>Cost at 31 December</b>	<b>43,384</b>	<b>5,370</b>	<b>48,754</b>
Impairment & amortisation at 1 January	(4,769)	-	(4,769)
Impairment & amortisation	(9,879)	-	(9,879)
Disposals for the year	3,735	-	3,735
<b>Impairment &amp; amortisation at 31 December</b>	<b>(10,913)</b>	<b>-</b>	<b>(10,913)</b>
<b>Carrying amount at 31 December</b>	<b>32,471</b>	<b>5,370</b>	<b>37,841</b>
<b>2022</b>			
Cost at 1 January	3,735	4,993	8,728
Additions for the year	17,750	12,336	30,086
Disposals for the year	-	(1,431)	(1,431)
Transfer	632	(632)	-
<b>Cost at 31 December</b>	<b>22,117</b>	<b>15,266</b>	<b>37,383</b>
Impairment & amortisation at 1 January	(3,735)	-	(3,735)
Impairment & amortisation for the year	(1,034)	-	(1,034)
<b>Impairment &amp; amortisation at 31 December</b>	<b>(4,769)</b>	<b>-</b>	<b>(4,769)</b>
<b>Carrying amount at 31 December</b>	<b>17,348</b>	<b>15,266</b>	<b>32,614</b>

Development projects in progress holds capitalized costs related to mainly to Software.

## 7. Property, plant and equipment

tDKK	Group			Total
	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improvements	
<b>2023</b>				
Cost at 1 January	1,800	29,760	10,665	42,225
Additions for the year	-	5,016	699	5,715
Disposals for the year	(1,250)	(624)	-	(1,874)
Movements due to currency	1	(66)	46	(19)
<b>Cost at 31 December</b>	<b>551</b>	<b>34,086</b>	<b>11,410</b>	<b>46,047</b>
Impairment & depreciation at 1 January	(188)	(10,211)	(4,344)	(14,743)
Disposals for the year	106	528	-	634
Depreciation for the year	(94)	(7,740)	(2,326)	(10,160)
Movements due to currency	-	(58)	(8)	(66)
<b>Impairment &amp; depreciation at 31 December</b>	<b>(176)</b>	<b>(17,482)</b>	<b>(6,678)</b>	<b>(24,335)</b>
<b>Carrying amount at 31 December</b>	<b>375</b>	<b>16,604</b>	<b>4,733</b>	<b>21,712</b>
<b>2022</b>				
Cost at 1 January	1,250	13,727	7,846	22,823
Additions for the year	550	18,349	2,922	21,821
Disposals for the year	-	(2,014)	(66)	(2,081)
Movements due to currency	-	(302)	(36)	(338)
<b>Cost at 31 December</b>	<b>1,800</b>	<b>29,760</b>	<b>10,665</b>	<b>42,224</b>
Impairment losses and depreciation at 1 January	(65)	(7,383)	(2,756)	(10,204)
Disposals for the year	-	1,757	66	1,823
Depreciation for the year	(123)	(4,746)	(1,661)	(6,530)
Movements due to currency	-	161	7	168
<b>Impairment &amp; depreciation at 31 December</b>	<b>(188)</b>	<b>(10,211)</b>	<b>(4,344)</b>	<b>(14,743)</b>
<b>Carrying amount at 31 December</b>	<b>1,612</b>	<b>19,549</b>	<b>6,321</b>	<b>27,482</b>

tDKK	Parent			
	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
<b>2023</b>				
Cost at 1 January	1,250	13,695	7,467	22,412
Additions for the year	-	4,335	448	4,783
Disposals for the year	(1,250)	(528)	-	(1,778)
<b>Cost at 31 December</b>	<b>-</b>	<b>17,502</b>	<b>7,915</b>	<b>25,417</b>
Impairment & depreciation at 1 January	(90)	(4,931)	(3,866)	(8,887)
Depreciation for the year	(17)	(4,163)	(1,610)	(5,790)
Disposals for the year	107	528	-	635
<b>Impairment &amp; depreciation at 31 December</b>	<b>-</b>	<b>(8,566)</b>	<b>(5,476)</b>	<b>(14,042)</b>
<b>Carrying amount at 31 December</b>	<b>-</b>	<b>8,936</b>	<b>2,439</b>	<b>11,375</b>
<b>2022</b>				
Cost at 1 January	1,250	5,407	6,732	13,388
Additions for the year	-	8,288	735	9,023
<b>Cost at 31 December</b>	<b>1,250</b>	<b>13,695</b>	<b>7,467</b>	<b>22,411</b>
Impairment & depreciation at 1 January	(65)	(2,507)	(2,467)	(5,039)
Depreciation for the year	(25)	(2,424)	(1,399)	(3,848)
<b>Impairment &amp; depreciation at 31 December</b>	<b>(90)</b>	<b>(4,931)</b>	<b>(3,866)</b>	<b>(8,887)</b>
<b>Carrying amount at 31 December</b>	<b>1,160</b>	<b>8,764</b>	<b>3,600</b>	<b>13,525</b>

## 8. Leases

The Group has entered leases on properties, cars and equipment.

The remaining lease period for land and buildings are mainly 3 years and are related to offices and residential premises in Denmark, Sweden, Finland, Norway, UK and Luxembourg.

The non-cancellable lease period for cars is typically between 12 and 48 months. In general car leases do not include any extension options.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

The Group has recognized the following amounts relating to leases:

tDKK	Group		
	Right of use buildings	Right of use other fixtures and fittings, tools and equipment	Total
Cost at 1 January 2022	<b>88,936</b>	<b>2,265</b>	<b>91,201</b>
Additions	44,370	231	44,601
Disposals	(3,950)	(869)	(4,819)
Exchange differences	(3,157)	(93)	(3,250)
<b>Cost at 31 December 2022</b>	<b>126,199</b>	<b>1,534</b>	<b>127,733</b>
Additions	71,154	1,089	72,243
Disposals	(23,441)	(252)	(23,693)
Exchange differences	184	4	188
<b>Cost at 31 December 2023</b>	<b>174,096</b>	<b>2,375</b>	<b>176,471</b>
<b>Depreciation</b>			
Depreciation at 1 January 2022	<b>(40,571)</b>	<b>(1,266)</b>	<b>(41,837)</b>
Depreciation charge for the year	(25,822)	(694)	(26,516)
Impairment & amendments	(375)	101	(274)
Disposals	3,294	769	4,063
Exchange differences	1,498	47	1,545
<b>Depreciation at 31 December 2022</b>	<b>(61,976)</b>	<b>(1,043)</b>	<b>(63,019)</b>
Depreciation charge for the year	(35,778)	(553)	(36,331)
Amendments	(2,127)	13	(2,114)
Disposals	9,103	225	9,328
Exchange differences	(107)	(78)	(185)
<b>Depreciation at 31 December 2023</b>	<b>(90,885)</b>	<b>(1,436)</b>	<b>(92,321)</b>
<b>Carrying amount at 31 December 2023</b>	<b>83,211</b>	<b>939</b>	<b>84,150</b>
<b>Carrying amount at 31 December 2022</b>	<b>64,223</b>	<b>490</b>	<b>64,713</b>

The carrying amounts of lease liabilities and the movement during the period is as follows:

tDKK	<b>Group</b>
	Lease liabilities
At 1 January 2022	<b>50,318</b>
Additions - new leases	44,367
Disposals	(46)
Repayment of lease debt	(28,590)
Interest	1,332
Exchange	(1,474)
<b>At 31 December 2022</b>	<b>65,907</b>
Additions - new leases	72,243
Disposals	(14,228)
Repayment of lease debt	(37,367)
Interest	2,869
Exchange	(2,092)
<b>At 31 December 2023</b>	<b>87,332</b>
2023	
Within one year from the balance sheet date	24,522
Between one and five years from the balance sheet date	61,272
After five years from the balance sheet date	1,538
2022	
Within one year from the balance sheet date	32,422
Between one and five years from the balance sheet date	24,487
After five years from the balance sheet date	8,998

Amounts recognised in the income statement, relating to leases:

tDKK	<b>Group</b>	
	2023	2022
Interest expenses	2,869	1,332
Expenses related to low value assets	319	160
Expenses related to short-term leases	13	13

## 9. Investments in subsidiaries

tDKK	Parent	
	2023	2022
Cost at 1 January	567,531	68,066
Additions for the year	67,612	499,465
Disposal for the year	(4,334)	-
<b>Cost at 31 December</b>	<b>630,809</b>	<b>567,531</b>
Value adjustments at 1 January	(12,527)	11,884
Exchange adjustment	1,569	(4,739)
Net profit/loss for the year	(106,047)	(19,672)
Disposals during the year	3,723	-
<b>Value adjustments at 31 December</b>	<b>(113,282)</b>	<b>(12,527)</b>
Equity investments with negative net asset value amortised over receivables	3,904	10,567
<b>Carrying amount at 31 December</b>	<b>521,431</b>	<b>565,571</b>

Additions for the year, consist of capital injections in newly registered entities (DKK 12.7 million) and capital injections in existing entities (DKK 54.9 million).

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital		Votes and ownership	
		2023	2022	2023	2022
UMEUS ManCo ApS	Nordhavn, DK	DKK 50,003	DKK 50,003	100%	100%
Woods Office OpCo ApS	Nordhavn, DK	DKK 650,001	DKK 650,001	100%	100%
Komp. NREP Copenhagen Resi. Fund 1 ApS	Nordhavn, DK	DKK 80,000	DKK 80,000	100%	100%
Den Studios Denmark ApS	Nordhavn, DK	DKK 50,003	DKK 50,003	100%	100%
NNSF IV IP CIV GP ApS	Nordhavn, DK	DKK 40,001	DKK 40,001	100%	100%
Komp. NREP NSF IV Investment ApS	Nordhavn, DK	DKK 40,001	DKK 40,001	100%	100%
Komp. NREP Income+ Investment ApS	Nordhavn, DK	DKK 40,001	DKK 40,001	100%	100%
NREP Income+ Investment K/S	Nordhavn, DK	DKK 0	DKK 0	100%	100%
JULI Living DK ApS	Nordhavn, DK	DKK 40,000	DKK 40,000	100%	100%
NREP NSF V Investment K/S	Nordhavn, DK	DKK 0	DKK 0	100%	100%
2150 ApS	Nordhavn, DK	DKK 40,000	DKK 40,000	100%	60%
Komplementarselskabet 2150 CIV ApS	Nordhavn, DK	DKK 40,000	DKK 40,000	100%	60%
Komplementarselskabet 2150 Investment ApS	Nordhavn, DK	DKK 40,000	DKK 40,000	100%	60%
2150 Fund II CIV K/S	Nordhavn, DK	DKK 100	DKK 100	0%	60%
2150 Concrete K/S	Nordhavn, DK	DKK 100	DKK 100	100%	60%
Komplementarselskabet 2150 Investment II ApS	Nordhavn, DK	DKK 40,000	DKK 40,000	100%	60%
Komplementarselskabet 2150 concrete ApS	Nordhavn, DK	DKK 40,000	DKK 40,000	100%	60%
Komplementarselskabet 2150 Fund II CIV ApS	Nordhavn, DK	DKK 40,000	DKK 40,000	100%	60%
Komplementarselskabet NREP NSF V Invest ApS	Nordhavn, DK	DKK 40,000	DKK 40,000	100%	100%
2150 Invest II K/S	Nordhavn, DK	DKK 100	DKK 100	100%	60%
NREP Administration ApS	Nordhavn, DK	DKK 40,001	DKK 40,001	100%	100%
NREP AS	Oslo, NO	NOK 120,000	NOK 120,000	100%	100%
NREP Ventures Co 2 AS	Oslo, NO	NOK 0	NOK 30,000	0%	100%
NREP Income+ InvestCo 124 AS	Oslo, NO	NOK 0	NOK 30,000	0%	100%
NREP Income+ InvestCo 125 AS	Oslo, NO	NOK 0	NOK 30,000	0%	100%
Umeus Norway AS	Oslo, NO	NOK 30,000	NOK 30,000	100%	100%
NREP AB	Stockholm, SE	SEK 100,000	SEK 100,000	100%	100%
NREP InvestCo 65 AB	Stockholm, SE	EUR 6,500	EUR 6,500	62%	62%
NREP Income+ Investment AB	Stockholm, SE	EUR 6,500	EUR 6,500	100%	100%
NREP NSF III Investco 126 AB	Stockholm, SE	EUR 6,500	EUR 6,500	0%	100%
NREP NSF V Investment AB	Stockholm, SE	EUR 6,500	EUR 6,500	100%	100%
NREP Poland sp. z o.o.	Warsaw, PL	PLN 2,683,900	PLN 2,683,900	100%	100%
Noli Studios Poland z o. o.	Warsaw, PL	PLN 6,560,000	PLN 4,160,000	100%	100%
NREP Germany GmbH	Frankfurt, GE	EUR 25,000	EUR 25,000	100%	100%
2150 Advisory Germany GmbH	Frankfurt, GE	EUR 25,000	EUR 25,000	100%	60%
Flins Capital Partners GMBH	Munich, GE	EUR 25,000	EUR 25,000	100%	100%
NREP Oy	Helsinki, FI	EUR 0	EUR 2,500	0%	50%
NREP Oy	Helsinki, FI	EUR 0	EUR 0	100%	0%
Noli Studios Finland Oy	Helsinki, FI	EUR 2,500	EUR 2,500	100%	100%
Noli Studios Finland Staff Pool Oy	Helsinki, FI	EUR 2,500	EUR 2,500	100%	100%
Juli Living Finland Oy	Helsinki, FI	EUR 0	EUR 0	100%	100%
Luma Equity AB	Stockholm, SE	SEK 65,000	SEK 0	100%	0%
2150 FUND II CIV AB	Stockholm, SE	EUR 6,500	SEK 0	100%	0%

Name	Place of registered office	Share capital		Votes and ownership	
		2023	2022	2023	2022
NREP Corporation UK Limited	London, UK	GBP 1	GBP 1	100%	100%
2150 UK Ltd	London, UK	GBP 1	GBP 1	100%	60%
NREP NSF V Feeder 1 GP Limited	London, UK	GBP 1	GBP 1	100%	100%
NREP LPF MLP S.à.r.l	Luxembourg	EUR 12,000	EUR 12,000	100%	100%
NREP LPF GP S.à.r.l	Luxembourg	EUR 12,000	EUR 12,000	100%	100%
NREP Management Company S.à.r.l.	Luxembourg	EUR 125,000	EUR 125,000	100%	100%
NREP Domus S.à.r.l.	Luxembourg	EUR 12,000	EUR 12,000	100%	100%
Nordic Strategies Fund II GP S.à.r.l	Luxembourg	EUR 12,500	EUR 12,500	100%	100%
NREP Nordic Strategies Fund III GP S.à.r.l	Luxembourg	EUR 12,000	EUR 12,000	100%	100%
NREP Nordic Strategies Fund IV GP S.à.r.l	Luxembourg	EUR 12,000	EUR 12,000	100%	100%
NREP Nordic Strategies Fund V GP S.à.r.l.	Luxembourg	EUR 20,000	EUR 20,000	100%	100%
NREP Income+ Fund GP S.à.r.l.	Luxembourg	EUR 20,000	EUR 20,000	100%	100%
NREP Income+ Fund RE GP S.à.r.l.	Luxembourg	EUR 12,000	EUR 12,000	100%	100%
2150 GP I Sarl	Luxembourg	EUR 12,000	EUR 12,000	100%	60%
NREP Fund Feeder GP S.à.r.l	Luxembourg	EUR 0	EUR 12,000	0%	100%
NREP NSF V Feeder 2 GP	Luxembourg	EUR 12,000	EUR 12,000	100%	100%
Oak Scsp	Luxembourg	EUR 0	EUR 0	100%	100%
Oak Investment Scsp	Luxembourg	EUR 2	EUR 2	100%	100%
OAK General Partner S.à.r.l	Luxembourg	EUR 23,530	EUR 23,530	100%	100%
AF IV General Partner S.à.r.l.	Luxembourg	EUR 12,000	EUR 12,000	100%	100%
AF I General Partner S.à.r.l.	Luxembourg	EUR 12,500	EUR 12,500	100%	100%
AF II General Partner S.à.r.l.	Luxembourg	EUR 12,500	EUR 12,500	100%	100%
AF III General Partner S.à.r.l.	Luxembourg	EUR 12,000	EUR 12,000	100%	100%
AF V General Partner S.à.r.l.	Luxembourg	EUR 12,000	EUR 12,000	100%	100%
2150 GP II Sarl	Luxembourg	EUR 12,000	EUR 12,000	100%	60%
2150 GP Opportunity Fund I S.à.r.l.	Luxembourg	EUR 12,000	EUR 12,000	100%	60%
2150 GP concrete I Sarl	Luxembourg	EUR 12,000	EUR 12,000	100%	60%
NREP Atlantis GP S.à.r.l.	Luxembourg	EUR 12,000	EUR 12,000	100%	100%
NREP B.V	Netherlands	EUR 50,000	EUR 50,000	100%	100%

## 10. Partially owned subsidiaries

Proportion of equity interest held by non-controlling interests:

Name	Country of operation	Group	
		2023	2022
NREP Oy	Helsinki, Finland	0%	50.2%
NREP InvestCo 65 AB	Stockholm, Sweden	62%	62%
2150 Aps	Nordhavn, Denmark	100%	60%

In 2023 the Group acquired the minority shares in 2150 ApS. Further NREP Oy was demerged into a fully owned subsidiary and a joint venture (NREP Investment Oy).

## 11. Business Combinations

The Group did not make business combinations in 2023.

In 2022 the Group acquired control of an equity interest in a leading real estate credit specialist business consisting of Flins Capital Providers (FCP) and the Oak fund setup (Oak) from M3 Capital Partners which is described below.

On the 17<sup>th</sup> of November 2021 the purchase was executed through a partnership between Urban Partners, MAA Invest AS and Atrium Beteiligungs GmbH. On 1<sup>st</sup> April 2022 the Group took control over FCP and Oak. When acquiring shares the Group acquired a group of entities, including all commitments and employees and the integrated organization to perform its activities independently and be able to create revenues for the Group - which constitute the business.

The acquisition was accounted for as a business combination. Therefore, all transferred assets and liabilities of FCP and Oak were valued at fair value at the final acquisition date.

Details of the purchase consideration, the net assets acquired, and goodwill are as follows:

Purchased consideration	tDKK
Cash paid in 2021	206,778
Contingent consideration	236,732
<b>Total</b>	<b>443,509</b>

Significant estimate: contingent consideration

The Contingent consideration is based on the assumption that EBITDA for the acquired entities is above EUR 6,6 million for the financial year 2023 where the earn-out cap will be reached.

The fair value of the contingent consideration of DKK 236,732 thousand was estimated by calculating the present value of the future expected cash flows. The estimates are based on a discount rate of 4.1% and assumed probability-adjusted EBITDA of above EUR 6,6 million in 2023 for the acquired entities.

The assets and liabilities recognised as a result of the acquisition are as follows:

tDKK	Fair value
Facilities and equipment	138
Prepayments	323
Other current assets	3,617
Cash and cash equivalents	14,697
Liabilities	(10,389)
<b>Net identifiable assets acquired</b>	<b>8,386</b>
Add: Goodwill	321,847
Add: Customer relationships	167,976
Add: Brand	1,029
Less: Deferred tax liabilities	(55,728)
<b>Net assets acquired</b>	<b>443,509</b>

The goodwill is attributable to the acquired business. It will not be deductible for tax purposes.

tDKK	Group	
	2023	2022
Less: Balances acquired		
Cash and cash equivalents	-	14,697
Net cash - investing activities	-	14,697

If the purchase of Flins Capital Providers and the Oak fund setup had been consolidated from 1st January 2022, the impact on the profit would have been tDKK 11,014.

## 12. Investments in Joint Ventures

tDKK	Group		Parent	
	2023	2022	2023	2022
Cost at 1 January	16,625	9,445	16,625	9,445
Additions for the year	29,559	7,180	4,372	7,180
<b>Cost at 31 December</b>	<b>46,184</b>	<b>16,625</b>	<b>20,997</b>	<b>16,625</b>
Value adjustments at 1 January	(14,898)	(8,501)	(14,898)	(8,501)
Exchange adjustment	(6)	-	(7)	-
Income from carried interest in joint ventures related to Group managed funds	4,797	-	-	-
Net profit/loss for the year	(3,554)	(6,397)	14,552	(6,397)
Dividend to the parent company	(18,105)	-	(18,105)	-
Transfer	8,673	-	-	-
<b>Value adjustments at 31 December</b>	<b>(23,093)</b>	<b>(14,898)</b>	<b>(18,458)</b>	<b>(14,898)</b>
<b>Carrying amount at 31 December</b>	<b>23,091</b>	<b>1,727</b>	<b>2,539</b>	<b>1,727</b>

Name	Place of registered office	Share capital	Votes and ownership
NREP-TF ApS	Nordhavn, DK	DKK 60,002	50%
Plushusene Management ApS	Horsens, DK	DKK 1,700,000	50%
NREP Investment OY	Helsinki, FI	DKK 0	50%

Joint ventures are recognised using the equity method so that the carrying amount of the joint venture constitutes the Group's proportional share of the net assets of the enterprise.

In addition, share of promote is recognised as part of "income from carried interest in joint ventures related to Group managed fund", which comprise the fair value movement of the other investment directly or indirectly held by the Group. See Note 30 "Accounting policies for the Group" for further information.

### 13. Investments in associates

tDKK	Group		Parent	
	2023	2022	2023	2022
<b>Cost at 1 January</b>	<b>28,593</b>	<b>244,767</b>	<b>9,452</b>	<b>216,360</b>
Exchange adjustment	(133)	(2,120)	-	-
Additions for the year	-	33	-	19
Disposals for the year	(428)	(7,156)	(11)	-
Transfers for the year	(100)	(206,783)	-	(206,778)
Other adjustments	940	(149)	(1)	(149)
<b>Cost at 31 December</b>	<b>28,872</b>	<b>28,593</b>	<b>9,440</b>	<b>9,452</b>
Value adjustments at 1 January	106,359	107,572	3,682	4,152
Exchange adjustment	581	1,950	1	1
Income from carried interest in associates related to Group managed funds	(82,402)	2,115	-	-
Share of result other	(1,118)	(285)	(1,093)	(471)
Dividends	(4,913)	(9,982)	-	-
Other adjustments	1,120	6,952	-	-
Transfer to Joint Venture	(13,972)	(1,963)	-	-
Disposals	(13,973)	-	-	-
<b>Value adjustments at 31 December</b>	<b>(8,318)</b>	<b>106,359</b>	<b>2,590</b>	<b>3,682</b>
<b>Carrying amount at 31 December</b>	<b>20,554</b>	<b>134,951</b>	<b>12,030</b>	<b>13,134</b>

Investments in associates for 2023 and 2022 are specified as follows:

	Place of registered office	Share capital		Votes and ownership	
		2023	2022	2023	2022
<b>Investment in Urban Partners Fund</b>					
NREP Co-Investment Nordhavn K/S	DK	DKK 12,000,000	DKK 12,000,000	48%	48%
Komp. NREP Co-Investment Nordhavn ApS	DK	DKK 60,000	DKK 60,000	48%	48%
Ejendomsselskabet Hellebro A/S	DK	DKK 17,500,000	DKK 17,500,000	20%	20%
NREP InvestCo 3 AB	SE	SEK 100,000	SEK 100,000	0%	23%
NREP InvestCo 15 AB	SE	EUR 6,500	EUR 6,500	40%	39%
NREP InvestCo 14 AB	SE	EUR 6,500	EUR 6,500	36%	36%
NREP NSF III InvestCo 84 AB	SE	EUR 6,500	EUR 6,500	25%	25%
NREP InvestCo 95 AB	SE	EUR 17,333	EUR 17,333	33%	33%
NREP InvestCo 63 AB	SE	EUR 6,500	EUR 6,500	30%	30%
NREP NSF III InvestCo 94 AS	NO	NOK 35,548	NOK 35,548	29%	29%
NREP InvestCo 44 AS	NO	NOK 99,425	NOK 99,425	22%	22%
NREP NSF IV Investment S.à.r.l	LUX	EUR 28,500	EUR 28,500	42%	42%

Associates are entities in which Urban Partners has significant influence but not control. All associates are recognised using the equity method so that the carrying amount of an associate constitutes the Group's proportional share of the net assets of the enterprise.

The share of promote is recognised as part of "Income from carried interest in associates related to Group managed funds", which comprise the fair value movement of the other investment directly or indirectly held by the Group. See Note 30 "Accounting policies for the Group" for further information.

## 14. Other financial assets

	Group		Parent		
	Other non-current investments	Other non-current receivables	Non-current receivables from group enterprises	Other non-current investments	Other non-current receivables
tDKK					
<b>2023</b>					
Cost at 1 January	132,788	225,756	34,454	49,158	216,219
Exchange adjustments	370	-	-	-	-
Additions for the year	27,425	47,231	7,613	16,537	47,029
Disposals for the year	(6)	(181,350)	(18,687)	-	(181,350)
Other adjustments	(69)	-	-	-	-
<b>Cost at 31 December</b>	<b>160,508</b>	<b>91,637</b>	<b>23,380</b>	<b>65,695</b>	<b>81,898</b>
Value adjustments at 1 January	<b>185,023</b>	-	-	-	-
Exchange adjustment	(533)	-	-	-	-
Income from carried interest in other investments related to Group managed funds	(62,041)	-	-	-	-
Fair value adjustment other	(7,282)	-	-	-	-
Dividends	(48,876)	-	-	-	-
Transfer to Joint Venture	(19,632)	-	-	-	-
Disposals	(19,632)	-	-	-	-
Other adjustments	(2,099)	-	-	-	-
<b>Value adjustments at 31 December</b>	<b>24,928</b>	-	-	-	-
Impairment at 1 January	-	-	10,567	7,878	-
Impairment for the year	-	-	(6,664)	-	-
<b>Impairment at 31 December</b>	-	-	<b>3,903</b>	<b>7,878</b>	-
<b>Carrying amount at 31 December</b>	<b>185,436</b>	<b>91,637</b>	<b>19,477</b>	<b>57,817</b>	<b>81,898</b>

Other financial assets are measured at fair value with net changes in fair value recognised in the statement of profit or loss. This category includes investments in equity instruments that do not meet the criteria of a subsidiary or an associate. These investments, included in other non-current financial assets are presented at fair value, including the fair value of the carried interests. The profit or loss arising from the fair valuation as well as the carried interest calculation are presented in financial income and “income from carried interests” respectively.

See Note 30 “Accounting policies for the Group” for further information.

tDKK	Group		Parent		
	Other non-current investments	Other non-current receivables	Non-current receivables from group enterprises	Other non-current investments	Other non-current receivables
<b>2022</b>					
Cost at 1 January	94,419	13,111	26,323	25,336	12,934
Exchange adjustments	(5,361)	-	-	-	-
Additions for the year	47,342	215,826	47,990	23,822	206,465
Disposals for the year	(3,616)	(3,180)	(39,859)	-	(3,180)
Transfer for the year	5	-	-	-	-
<b>Cost at 31 December</b>	<b>132,788</b>	<b>225,756</b>	<b>34,454</b>	<b>49,158</b>	<b>216,219</b>
Value adjustments at 1 January	187,461	-	-	-	-
Exchange adjustment	1,139	-	-	-	-
Fair value adjustment, Urban Partners managed funds net of payments	(16,629)	-	-	687	-
Fair value adjustment other	14,148	-	-	-	-
Dividends	(6,377)	-	-	(687)	-
Transfer	1,963	-	-	-	-
Other adjustments	3,318	-	-	-	-
<b>Value adjustments at 31 December</b>	<b>185,023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Impairment at 1 January	-	-	26,104	7,878	-
Impairment losses for the year	-	-	(15,537)	-	-
<b>Impairment at 31 December</b>	<b>-</b>	<b>-</b>	<b>10,567</b>	<b>7,878</b>	<b>-</b>
<b>Carrying amount at 31 December</b>	<b>317,811</b>	<b>225,756</b>	<b>23,887</b>	<b>41,280</b>	<b>216,219</b>

Other non-current investments represent investments that do not meet the definition of associates, joint ventures, or subsidiaries. These investments are accounted for at fair value through profit and loss.

## 15. Receivables

tDKK	Group		Parent	
	2023	2022	2023	2022
Trade receivables	112,542	206,783	30,290	115,111
Receivables from group enterprises	-	-	9,911	415,857
Other current receivables	230,422	112,158	102,660	89,091
<b>Total receivables</b>	<b>342,964</b>	<b>318,941</b>	<b>142,861</b>	<b>620,059</b>

### Trade receivables

Allocation of net trade receivables by maturity period are as follows:

tDKK	Group		Parent	
	2023	2022	2023	2022
Up to 30 days	30,602	116,077	3,556	51,958
Between 31 and 90 days	59,627	61,853	13,734	48,219
Between 91 and 365 days	22,313	28,852	13,000	14,934
<b>Net receivables at 31 December</b>	<b>112,542</b>	<b>206,782</b>	<b>30,290</b>	<b>115,111</b>

Expected credit losses are based on a provision matrix, considering the Group's historic credit losses combined with forward looking information that is expected to affect the loss rates.

As the Group has no history of nor specific expectations of material issues on the recoverability of receivables, and due to the reliable substance in the agreements for receivables, the expected credit loss on management fee and service corporate fee is considered immaterial.

Receivables are written off when they are assessed as uncollectible.

## 16. Prepayments / Other current financial assets

Other current assets include mainly prepayments. The prepayments relate to prepaid insurance, platform

Trade receivables are primarily related to asset management fees charged from Urban Partners to NREP fund assets and fund limited partners.

### Other current receivables

Other current receivables consist of receivables from employees, affiliated companies and accrued rental income.

The Group considers that the carrying amount of trade and other receivables approximate their fair value. There is no concentration of credit risk with respect to specific receivables.

licenses, other accounting and consultancy fees related to Urban Partners Group managed funds.

## 17. Share base payment

As per 31 December 2023, the Group has one outstanding share-based incentive plan.

### Description of the plan

At the general assembly 10th of August 2020, Urban Partners has approved the implementation of a warrant program for certain partners and employees of the Urban Partners as well as the issuance of 18,076 warrants. The warrants to which the participants subscribe do not carry a right to vote, receive dividends or any other rights associated to a shareholder.

On 10th August 2020 18,076 warrants were granted. The key features of the warrants granted under the plan are as follows:

- Each participant may subscribe a number of warrants against a cash payment of DKK 88.61 per warrant. The price of DKK 88.61 is assumed to be the fair value of the warrant at grant date
- Issued warrants vest equally in four tranches, being 1 January 2021, 1 January 2022, 1 January 2023 and 1 January 2024 (final date of vesting)
- If the participant exists Urban Partners prior to the final date of vesting, any unvested warrants will lapse without further notice or compensation

The weighted average remaining contractual life for the warrants outstanding as of 31 December 2023 is 1 year (2 years in 2022).

The weighted average fair value of warrants granted during the year was DKK 0 in 2023 and DKK 0 in 2022.

- At exercise, each warrant may be converted into 1 share in Urban Partners with a nominal value of DKK 1 against a cash payment of DKK 1,108, irrespectively of the time of vesting or exercise.
- The warrants may be exercise in a period of thirty days from the relevant date of vesting (1 January 2021/2022/2023/2024), although any unvested warrants shall be vested no later than three months from the final date of vesting (1 January 2024).

18,076 warrants are still outstanding as of December 31, 2023.

### Accounting for Share-Based Payment

The warrants are issued in addition to the normal remuneration of the employee and constitute an incentive for the partners and employees to remain in the employment of Urban Partners. A direct measurement of the services by the participants is measured at the fair value of the warrants granted. In 2020, the partners and employees paid DKK 88.61 per warrant and this value represents the fair value of the warrants at grant date. Therefore, there is no specific fair value gain given to the employees at grant date and by that no cost to recognise.

Year ended December 31, 2023	Group Plan 2023
Number of warrants granted	18,076
Weighted average fair values at the measurement date per warrant (DKK)*	1,108
Dividend yield	4.0%
Risk-free interest rate	0.0%
Expected life of warrants (years)	4
Weighted average share price (EUR) per share	148.50
Exercise price (EUR)	148.50
Model used	Actual transaction

\*DKK equivalent of EUR 148.0 has been based on EUR/DKK rate of 7.4584 (30. April 2020)

Market price per share is based on the actual share transaction with third party in August 2020. No volatility has been established on future equity.

The warrants have been purchased at fair value, why no expense has been recognised in staff costs regarding the incentive program.

## 18. Share capital

### Dividends

The Board of Directors has not proposed dividend for 2023 (2022: DKK 0)

### Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to The share capital has developed as follows:

shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group is an alternative investment fund manager (AIFM) through two of its legal entities NREP AB in Sweden and Urban Partners Management Company S.A. in Luxembourg which are subject to supervision by the Swedish Financial Supervisory Authority (SFSA) and the Financial Sector Supervisory Commission (CSSF) respectively.

### Capital increase

In 2023 new shares was issued resulting in a capital increase of DKK 14 thousand (2022: DKK 7 thousand).

tDKK	Group				
	2023	2022	2021	2020	2019
Share capital at 1 January	1,366	1,359	1,359	1,000	1,000
Capital increase	14	7	-	359	-
<b>Share capital at 31 December</b>	<b>1,380</b>	<b>1,366</b>	<b>1,359</b>	<b>1,359</b>	<b>1,000</b>

Number of shares outstanding:

Shares tDKK	Parent	
	2023	2022
Shares issued at 1 January	1,366	1,359
Shares issued during the year	14	7
<b>Total number of shares</b>	<b>1,380</b>	<b>1,366</b>
Holding of Treasury shares	(55)	-
<b>Total number of outstanding shares at 31 December</b>	<b>1,325</b>	<b>1,366</b>

tDKK	Numbers of shares	Transaction price tDKK	% of issued shares
Treasury shares at 1 January	-	-	-
Purchased/sold	-	-	-
<b>Treasury shares at 31 December 2022</b>	-	-	-
Purchase of treasury shares	59,659	192,717	4.3%
Sales of treasury shares	(4,894)	(14,571)	0.3%
<b>Treasury shares at 31 December 2023</b>	<b>54,765</b>	<b>178,146</b>	<b>4%</b>

In 2023 Urban Partners A/S repurchased treasury shares of DKK 114.7 million from NREP Partner Holding ApS and DKK 78.0 million from NREP Partners Investment ApS due to restructuring. Part of these treasury shares are sold to BJHS Invest ApS at the amount of DKK 14.6 million.

## 19. Minority interests

During May 2023, NREP Oy was demerged into two new entities, NREP Oy and NREP Investment Oy. No consideration has been given to owners apart from shares in NREP Oy and NREP Investment Oy. The demerger has been carried out at book value. Subsequent to the demerger, Urban Partners sold 0,2% of NREP Investment Oy. Which resulted in a decrease of the share of non-controlling with DKK 29.9 million under the Group's Equity, whereof DKK 30.2 million was related to promote. In addition, Urban Partners acquired the remaining 49,8% shares of NREP Oy.

## 20. Proposed distribution of profit, Parent

tDKK	Parent	
	2023	2022
Reserve for net revaluation under the equity method	27,847	(26,535)
Retained earnings	(186,122)	34,807
<b>Total</b>	<b>(158,275)</b>	<b>8,273</b>

## 21. Financial assets and liabilities

### i. Borrowings

tDKK	Group		Parent	
	2023	2022	2023	2022
Long-term part	288,397	109,317	288,397	109,317
Short-term part	20,273	93,139	20,273	93,139
<b>Carrying amount at 31 December</b>	<b>308,670</b>	<b>202,456</b>	<b>308,670</b>	<b>202,456</b>

As of December 31, 2023, the Group has borrowing facilities available. The undrawn borrowing facilities available on 31 December 2023 amounted to DKK 203.3 million (2022: DKK 204.3 million). Uncommitted bank borrowing facilities are normally reaffirmed by the bank annually, although they can theoretically be withdrawn at any time.

Danske Bank working capital facility is unsecured credit line and Novo Term Loan Facilities are both secured loan facilities.

### ii. Other payables

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:

tDKK	Group		Parent	
	2023	2022	2023	2022
Fund related accruals	-	78,201	-	62,177
Long-term part	-	78,201	-	62,177
Prepayments	10,696	4,342	-	-
Vat liabilities	13,910	20,748	-	-
Employee liabilities	207,760	145,345	78,589	58,685
Fund related accruals	120,612	67,873	-	-
Other short-term payables	281,813	204,038	31,961	30,924
Short-term part	634,791	442,346	110,550	89,609
<b>Carrying amount at 31 December</b>	<b>634,791</b>	<b>520,547</b>	<b>110,550</b>	<b>151,786</b>

The increase in short term payables, between 2023 and 2022, is mainly a result of increased activity and fund related accruals.

### iii. Movements

The movements of financial liabilities are as follows:

tDKK	Group			
	Beginning of year	Cash flows	Non-cash changes	End of year
<b>2023</b>				
Borrowings	202,456	106,130	84	308,670
Total	<b>202,456</b>	<b>106,130</b>	<b>84</b>	<b>308,670</b>
<b>2022</b>				
Borrowings	51,050	151,406	-	202,456
Total	<b>51,050</b>	<b>151,406</b>	<b>-</b>	<b>202,456</b>

### iv. Fair value

The Group measures the fair value of its financial assets and financial liabilities using a fair value hierarchy. A **financial instrument's** classification within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Three levels of inputs may be used to measure fair value. The different levels of the fair value hierarchy are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observables for the asset or liability, either directly or indirectly; and

Level 3: Unobservable inputs for the asset or liability

The following is a comparison, by class, of the carrying amounts and fair values of the financial assets and

liabilities, other than those with carrying amounts that are reasonable approximation of fair value:

Both for Group and the Parent, management assessed that the fair value of cash and cash equivalents, trade accounts receivable, trade accounts payable, accrued compensation and benefits, and other accruals approximate their respective carrying values due to their short-term maturities.

The fair values of the Group's interest-bearing loan are determined by using the DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. Their fair values are the same as the carrying amounts.

The other non-current investments and the carried interest portion of the associates are measured at fair value through the consolidated statement of comprehensive income.

tDKK	Group			
	2023		2022	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Loans and receivables at amortised cost:</b>				
Trade receivables	112,542	112,542	206,783	206,783
Other receivables	322,059	322,059	337,914	337,914
Cash and cash equivalents	295,113	295,113	256,694	256,694
<b>Financial assets at fair value through profit/loss:</b>				
Other non-current investments	185,436	185,436	317,811	317,811
<b>Financial assets</b>	<b>915,150</b>	<b>915,150</b>	<b>1,119,202</b>	<b>1,119,202</b>
<b>Carried at amortised cost:</b>				
Other payables	634,792	634,792	520,547	520,547
Borrowings	308,670	308,670	202,456	202,456
Trade payables	252,762	252,762	276,087	276,087
Provisions	13,856	13,856	53,651	53,651
<b>Financial liabilities</b>	<b>1,210,080</b>	<b>1,210,080</b>	<b>1,052,741</b>	<b>1,052,741</b>

tDKK	Parent			
	2023		2022	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Loans and receivables at amortised cost:</b>				
Trade receivables	30,290	30,290	115,111	115,111
Other receivables	184,558	184,558	305,311	305,311
Receivables from group enterprises	29,388	29,388	439,745	439,745
Cash and cash equivalents	540	540	36	36
<b>Financial assets at fair value through profit/loss:</b>				
Other investments	57,817	57,817	41,280	41,280
<b>Financial assets</b>	<b>302,593</b>	<b>302,593</b>	<b>901,483</b>	<b>901,483</b>
<b>Carried at amortised cost:</b>				
Borrowings	308,670	308,670	202,456	202,456
Trade payables	211,354	211,354	268,113	268,113
Other payables	110,550	110,550	151,787	151,787
Payables to group enterprises	253,471	253,471	528,940	528,940
<b>Financial liabilities</b>	<b>884,045</b>	<b>884,045</b>	<b>1,151,296</b>	<b>1,151,296</b>

tDKK	Group			Total
	Quoted prices (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Other investments	-	-	185,436	185,436
Deferred purchase price			(205,549)	(205,549)
<b>Carrying amount 31 December 2023</b>	<b>-</b>	<b>-</b>	<b>(20,113)</b>	<b>(20,113)</b>
Other investments	-	-	317,811	317,811
Deferred purchase price			(243,211)	(243,211)
<b>Carrying amount 31 December 2022</b>	<b>-</b>	<b>-</b>	<b>74,600</b>	<b>74,600</b>

Deferred purchased price is related to the business acquisition in 2022. The fair value is calculated based on a WACC 4.057% per anno. This is based on CIBOR 6 month with addition of risk premium.

The following table presents the change in level 3 items for the years ended 31 December 2023 and 31 December 2022:

tDKK	Group	
	2023	2022
<b>Opening at 1 January</b>	<b>74,600</b>	<b>281,880</b>
Additions from investments related to Group managed funds	27,425	47,342
Transfers and other adjustments from investments related to Group managed funds	(41,601)	(4,516)
Income from investments in other investments related to Group managed funds	(62,041)	(16,629)
Income from investments in other investments	(7,282)	14,148
Distributions from investments in associates related to Group managed funds	(48,876)	(6,377)
Transfer	-	1,963
Addition deferred purchase price	-	(243,211)
Reversal of contingent consideration of purchase price	37,662	-
<b>Closing balance 31 December</b>	<b>(20,113)</b>	<b>74,600</b>

## 22. Financial risk management

The Group is subject to the following market risks:

- Market risks
- Foreign exchange risks
- Interest rate risk
- Liquidity risk
- Credit risk

The Group regularly defines, monitors, and manages its external risks (including foreign exchange risk, credit risk, investment risk, liquidity risk, reputation risk etc.) to align with the risk appetite of its stakeholders.

### i. Market risks

Management fees received from funds are primarily based on the committed or deployed capital. In Management's assessment, the risk profile of the Urban Partners Group is normal for this Market.

The value assessments of properties held directly or indirectly through equity investments are inherently subject to some degree of uncertainty. In order to limit the risk as much as possible, all relevant properties have been assessed by external valuers, who are external parties independent of the company.

The fair value of the properties has been determined on discounted cash flows using equivalent yields between 3.5% and 8.6% (2022: 3.6% and 8.2%) depending on the type and location of the property. These inputs include:

The valuation of Urban Partners' co-investments in Urban Partners managed funds are inherently linked to the valuation of real estate properties (Nrep), Venture Capital (2150) and credit investments (Velo). The value of such investments is subject to market conditions and is estimated with some degree of uncertainty. All real estate properties are independently valued at least every 6 months and all investment strategies are subject to quarterly valuation processes by a regulated entity to assess the holding value of its investments.

- Future rental cash inflows based on the actual location, type and quality of the properties and supported by the terms of any existing lease, other contracts or external evidence such as current market rents for similar properties.
- Discount rates reflecting current market assessments of the uncertainty in the amount and timing of cash flows.
- Estimated vacancy rates based on current and expected future market conditions after expiry of any current lease.
- Maintenance costs including necessary investments to maintain functionality of the property for its expected useful life.
- Capitalisation rates based on actual location, size and quality of the properties and taking into account market data at the valuation date.
- Terminal value taking into account assumptions regarding maintenance costs, vacancy rates and market rents.

### ii. Foreign exchange risks

The Group primarily receives management fees in EUR, whereas the Group's expenses are distributed on DKK, SEK, NOK, EUR and PLN. . The most important exchange rates in relation to risk exposure are SEK, NOK, PLN and GBP. EUR is a currency with large exposure, but the risk is deemed limited, due to DKK being pegged to EUR. The Group policy related to foreign exchange risks is not to use hedging instruments as the main part is covered for operating purposes by matching income and expenses in the same currency.

The following table shows the impact on the Group's net profit in the event of a 10% fluctuation in the main

currencies. The fluctuation of 10% constitutes the **Management's assessment of a realistic exchange rate** development within the main currencies. A similar fall in the exchange rate would have had the opposite effect.

The financial instruments comprised by the sensitivity analysis include trade receivables, cash, payables, trade payables and intercompany balances. The sensitivity analysis does not take into consideration any translation effect from functional currency to presentation currency.

tDKK	Possible change in exchange rate (+/-)	Hypothetical change in profit/loss	Hypothetical change in equity
2023			
SEK/DKK	10%	4,923	14,072
NOK/DKK	10%	(100)	562
PLN/DKK	10%	506	614
GBP/DKK	10%	991	1,353

tDKK	Possible change in exchange rate (+/-)	Hypothetical change in profit/loss	Hypothetical change in equity
2022			
SEK/DKK	10%	8,423	8,343
NOK/DKK	10%	(33)	428
PLN/DKK	10%	745	529
GBP/DKK	10%	2,079	688

### iii. Interest rate risks

The interest rate risk of Urban Partners A/S and its affiliates consists mainly of external financing, which is split between floating and fixed rate instruments. On the reporting date the floating rate interest-bearing liabilities amounted to DKK 131.9 million and fixed rate interest-bearing liabilities to DKK 172.2 million. At the end of 2023, 61% of the non-current liabilities were fixed-rate.

The Urban Partners Group might be indirectly exposed to interest rate risk through the Funds' performance. Funds have a dedicated policy for their own interest rate risk exposures.

### iv. Liquidity risk

The Group manages its liquidity risk by monitoring the changes in working capital and by ensuring adequate funding. Based on the Group's cash management principle, the Group's cash is accumulated in dedicated bank accounts. Risk analysis and designing of risk management plans are conducted at the top management level. The Group's liquidity risk policy is based on a conservative approach, whose main objective is to secure the safeguarding of the cash flows generated from the operations to ensure sufficient

The Fund's interest rate risks principally arise from long-term and short-term borrowings. Borrowings issued at variable rates expose the Funds to cash flow interest rate risk. To manage this, the Funds have entered into interest rate swaps and interest rate caps. For the interest rate swaps the Funds agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed upon notional principal amount. Interest rate caps cap the floating interest at a specific rate.

liquidity enabling timely settlement of the liabilities undertaken.

At 31 December 2023 the Group has a committed undrawn borrowing facility of DKK 203.3 million (2022: DKK 204.3 million) that may be available for future operating activities and to settle capital commitments. The table below analyses the financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

tDKK	Group			Total
	Less than 1 year	Between 1 and 5 years	More than 5 years	
<b>End 2023</b>				
Leases	28,014	65,636	1,538	95,188
Borrowings	20,273	-	-	20,273
Other payables	659,965	339,507	-	999,472
Trade payables	252,763	-	-	252,763
<b>Total</b>	<b>961,015</b>	<b>405,143</b>	<b>1,538</b>	<b>1,367,696</b>
<b>End 2022</b>				
Leases	32,422	24,487	8,998	65,907
Borrowings	93,139	-	-	93,139
Other payables	442,346	226,980	-	669,326
Trade payables	276,087	-	-	276,087
<b>Total</b>	<b>843,994</b>	<b>251,467</b>	<b>8,998</b>	<b>1,104,459</b>

#### v. Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group has no significant concentrations of credit risk.

Credit risk arises from cash and cash equivalents held at banks, trade receivables and other receivables. Credit risk is managed on a group basis. The Group does not monitor the credit quality of trade and other receivables on an

ongoing basis. Cash balances are held only with financial institutions with a Moody's or Fitch credit rating of Aa3 or above, except in cases where amounts are immaterial.

Credit risk arises principally from other receivable, trade receivables and cash and cash equivalents.

Urban Partners A/S monitors credit risk of any financial counterparty on an annual basis and performs initial financial due diligence.

The Group's maximum exposure to credit risk by class of financial asset is as follows:

tDKK	Group	
	2023	2022
Trade receivables	112,542	206,783
Other receivables	230,422	112,158
Other non-current receivables	91,637	225,756
Cash and Cash Equivalents	295,112	256,694

Cash and cash equivalents and deposits were placed with financial institutions whose ratings are as follows:

tDKK	Group		2023	2022
	Rating Agency	Rating		
Financial Institution				
BBH *	Fitch	A+	80,670	47,373
Danske Bank	Moody's	A3	39,173	42,261
Nordea Bank	Moody's	Aa3	6,156	17,094
RBSI	Moody's	A1	83,843	93,501
Commerzbank	Moody's	A2	20,404	25,500
ING	Moody's	A1	60,192	23,491
Nykredit	Moody's	A2	1,291	-
Other banks	Moody's/Fitch	-	3,383	7,474
			<b>295,112</b>	<b>256,694</b>

\* Acting as an intermediary for HSBC, Nordea Bank Denmark, and Nordea Bank Norway

The ratings for financial institutions with which the Group does business in multiple countries are the same for all locations of that institution.

Further details on the Group's credit risk and the related expected credit loss for rent and service charge receivables and debt investments are included in note 15 respectively.

### 23. Related parties

The transactions were carried out with related parties during the year and outstanding balance in relation to transactions at the end of the reporting period:

tDKK	Group	
	2023	2022
<b>Transaction with Novo Holdings A/S:</b>		
Loan take during the year	(179,080)	(109,317)
Loans	(288,397)	(109,317)
Interest paid	(16,321)	(4,796)
<b>Transaction with TBL Holding ApS:</b>		
Accounts receivables	302	-
Other income	1	-
Other expenses	(1)	-
<b>Transaction with AGE Holding ApS:</b>		
Loans	7,603	7,437
Other income	155	1
<b>Transaction with NREP Partner Holding ApS:</b>		
Purchase of treasury share	(114,722)	-
<b>Transaction with NREP Partner Investment ApS:</b>		
Purchase of treasury share	(77,995)	-
<b>Transaction with BJHS Invest ApS:</b>		
Sales of treasury share	14,571	-
<b>Transactions with other related parties:</b>		
Investments (net of disposal)	29,131	57
Dividends received	(23,018)	(9,982)
Account receivables	76,380	41,420
Accounts payables	(65)	(3,711)
Other income	85,497	3,360
Other expenses	(329)	(2,323)

tDKK	Parent	
	2023	2022
<b>Transactions with other related parties:</b>		
Treasury shares purchased	<b>(192,717)</b>	-
Subsidiaries	-	-
Joint Ventures	-	-
Associates	-	-
Other	(192,717)	-
Treasury shares sold	<b>14,571</b>	-
Subsidiaries	-	-
Joint Ventures	-	-
Associates	-	-
Other	14,571	-
Investments (net of disposals)	<b>67,639</b>	<b>506,664</b>
Subsidiaries	63,278	499,465
Joint Ventures	4,373	7,180
Associates	(11)	19
Other	-	-
Dividends received	<b>(18,105)</b>	-
Subsidiaries	-	-
Joint Ventures	(18,105)	-
Loans	<b>(328,481)</b>	<b>(90,762)</b>
Subsidiaries	(84,888)	(108,414)
Joint Ventures	39,239	13,934
Associates	3,442	2,095
Other	(286,274)	1,623
Accounts receivables	<b>10,295</b>	<b>296,191</b>
Subsidiaries	9,911	275,904
Joint Ventures	-	20,285
Associates	-	2
Other	384	-
Accounts payables	<b>(149,106)</b>	<b>(339,831)</b>
Subsidiaries	(149,106)	(336,121)
Joint Ventures	-	(3,711)
Associates	-	-
Other	-	-
Interest received	<b>3,069</b>	<b>1,862</b>
Subsidiaries	2,469	1,472
Joint Ventures	515	300
Associates	42	31
Other	42	59
Interest paid	<b>(27,075)</b>	<b>(9,274)</b>
Subsidiaries	(10,754)	(9,274)
Joint Ventures	-	-
Associates	-	-
Other	(16,321)	-
Revenue	<b>306,047</b>	<b>382,746</b>
Subsidiaries	302,676	380,820
Joint Ventures	3,305	1,925
Associates	-	-
Other	66	-
Other expenses	<b>(145,120)</b>	<b>(160,694)</b>
Subsidiaries	(145,633)	(158,371)
Joint Ventures	513	(2,322)
Associates	-	-

As regards to the Interests in subsidiaries, joint venture and associates reference is made to Note 9 “Investments in subsidiaries”, Note 12 “Investments in Joint Ventures” and Note 13 “Investments in associates” respectively.

And as regards to the Key Management Compensation reference is made to note 2 staff expenses and note 17 share based payment.

### Ownership

The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

- Two Degrees UP ApS, Højmarksvej 26, 8270 Højbjerg
- Doughnut Capital UP ApS, Højmarksvej 26, 8270 Højbjerg
- NREP Partner Holding ApS, Højmarksvej 26, 8270 Højbjerg
- NREP Partners Investment ApS, Højmarksvej 26, 8270 Højbjerg
- Novo Holdings A/S, Tuborg Havnevej 19, 2900 Hellerup

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

### Group

The Group companies are jointly and separately 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. Urban Partners A/S is the management company of the joint taxation purposes for the Danish joint taxation. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

The Group has entered into binding commitments to invest further EUR 3,30 million (2022 : EUR 5,4 million) into 2150 Sustainability Fund I SCSp and 3,16 million (2022 : EUR Nil ) into 2150 Urban Tech Sustainability Fund II SCSp.

The Group guarantees as a surety guarantor as a party to the obligations that NREP-TF ApS assumes in accordance with the Tunnelfabrikken Consortium Agreement.

### Parent

Urban Partners A/S has issued a letter of comfort for selected subsidiary companies in order to be in compliance with going concern requirement.

Urban Partners A/S holds DKK 39.0 million (2022: DKK 13.5 million) of operating lease liability that primarily relates to office leases as at the end of 2023.

## 25. Audit Fee

tDKK	Group		Parent	
	2023	2022	2023	2022
Audit fee, PWC	2,826	2,399	1,851	1,294
Other non-audit fees	642	534	642	286
Tax advisory fee	257	435	257	435
<b>Total fee</b>	<b>3,725</b>	<b>3,368</b>	<b>2,750</b>	<b>2,015</b>

## 26. Provision

Provision in 2023 relates to restructuring.

Since December 2020, Urban Partners has been in a dispute with the tax Authorities in Sweden concerning

VAT treatment. In 2023 Urban Partners finally received a ruling which was in line with the expectations and provision.

## 27. Subsequent event

In mid-March 2024 Urban Partners paid the 2<sup>nd</sup> contingent consideration to the Flins Capital partners which amounted to EUR 26.3 million. The 3<sup>rd</sup> and last payment are planned for 2026.

No further events have occurred after the balance date, which would influence the evaluation of this Annual Report.

## 28. General Information

Urban Partners is a vertically integrated European investment fund manager established on 2 November 2005, providing access to investors, via the Funds it advises, into several investment strategies being:

Nrep - value add (NSF) and income focussed (NIP) real estate equity investments focussed on the Nordics, Germany and Poland;

Velo – income focussed real estate credit investments focussed on the Nordics and Germany;

2150 – Venture capital investments focussed on the urban and tech landscape globally;

All of which are anchored in solving the problems of our cities. Urban Partners maintains a local presence in all its main investment geographies.

Urban Partners A/S has its registered office at DK-2150 Nordhavn, Denmark.

## 29. Basis of Preparation

The Consolidated Financial Statements of the Urban Partners Group for 2023 have been prepared in accordance with the IFRS Accounting Standards as adopted in EU and additional Danish disclosure

requirements. The financial Statements of Urban Partners A/S (the Parent Company) have been prepared in accordance with the Danish Financial Statements Act.

## 30. Accounting Policies for the Group

### Statement of compliance

The financial statements of the Group for 2023 have been prepared in accordance with IFRS Accounting Standards as adopted by the European Union and additional Danish disclosure requirements.

The accounting policies are consistent with those of last year. Minor reclassifications have been made to the comparative numbers.

The Group and Parent Company Financial Statements for 2023 are presented in thousand DKK.

### Comprehensive Income and Cash Flow Statement

The Group has elected to present a single statement of comprehensive income and presents its expenses by nature. The Group reports cash flows from operating activities using the indirect method. Financial income received from joint ventures and associates etc., and financial expenses paid on loans is presented within financing activities in the cash flow statement. The acquisitions and disposals of investments are disclosed as cash flows from investing activities because this most appropriately reflects the Groups business activities.

### **Preparation of the Consolidated Financial Statements**

The consolidated financial statements include the accounts of Urban Partners A/S, and all subsidiaries controlled by Urban Partners A/S. Control is assumed when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to Urban Partners A/S. They are deconsolidated from the date that control ceases. In assessing control, potential voting rights that are substantive, are considered.

Enterprises in which the Group has shared control are classified as joint ventures.

Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

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.**

### **Funds**

Each Urban Partners fund, being composed of one or more limited Partnerships (or the equivalent) is managed by a **general partner and/or a manager (jointly "Fund Manager")**. The Fund Manager is a direct or indirect subsidiary of Urban Partners A/S. The authority and powers of the Fund Manager are defined in the Limited Partnership Agreement (or similar).

Determining whether or not a Fund Manager should consolidate its managed funds is based on judgement of whether the Fund Manager is acting as a principal or an agent to the fund for accounting purposes. The assessment of the Groups expected level of return is **based on the funds' performance, i.e. the variable returns**. Should a fund generate variable return Group would be entitled to between 8 and 31 percent of the variable return, which is not considered to meet the control criterion in IFRS on link between power and return. Instead, Urban Partners Group is considered to be an agent in relation to the fund investors, for accounting

purposes and, accordingly the funds are not consolidated.

### **Investment in associates and joint ventures**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. This is generally the case where the group holds between 20% and 50% of the voting rights.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary **to determine control over subsidiaries**. The Group's investment in its associates and joint ventures are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to **recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date**. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable **amount of the associate or joint venture and its carrying value**, and then recognises the loss within **"Income from investments in associates related to Urban Partners managed funds"**, **"Income from investments in associates"** or **"Income from investments in joint venture"** in the statement of profit or loss. When the **group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity**, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has

incurred obligations or made payments on behalf of the other entity.

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Urban Partners A/S.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Company.

#### **Minority interests**

**Minority interests form part of the Group's total equity.**

Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

#### **Translation policies**

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated

financial statements are presented in DKK, which is Urban Partners A/S functional and presentation currency.

#### **Transactions and balances**

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are recognised in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

#### **Group companies**

On consolidation, the assets and liabilities of foreign operations are translated into DKK at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive

income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

### **Current versus non-current classification**

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is expected to be realised or intended to be sold or consumed in the normal operating cycle, held primarily for the purpose of trading, expected to be realised within twelve months after the reporting period or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when it is expected to be settled in the normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period, there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### **Fair value measurement**

The Group measures non-financial assets such as investment properties and investment in shares owned directly or indirectly, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted financial assets, and for non-recurring measurement, such as assets held for sale in discontinued operations. At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies.

External valuers are involved for valuation of significant assets, such as investment properties or investment in equity on an unquoted financial market. Involvement of external valuers is determined annually by the Group.

#### **Revenue from contracts with customers**

IFRS 15 Revenue from Contracts with Customers (“IFRS 15”), specifies how and when revenue should be recognized and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. A performance obligation is a promise in a contract to transfer a distinct good or service (or a bundle of goods and services) to the customer and is the unit of account in IFRS 15. A contract’s transaction price is allocated to each distinct performance obligation and recognized as revenue, as, or when, the performance obligation is satisfied. The company recognizes revenue when it transfers control of a product or service to a customer. The company recognizes revenue from the following major sources:

#### **Asset Management Fee**

The company’s primary asset management revenue streams, which include base management fees, incentive fees (including incentive distributions and performance fees), are satisfied over time.

The company earns management fees in accordance with contractual arrangements with our funds. Fees are typically equal to a percentage of fee-bearing capital within the respective fund or entity and are accrued quarterly. These fees are earned over the period of time that the management services are provided and are allocated to the distinct services provided by the company during the reporting period.

#### **Service corporate fee**

Service corporate fee revenue stream relate to services not included in the asset management fee agreement that the Group performs on behalf of the funds it manages. The revenues arising these services are recognized on a time spend basis.

#### **Other**

Other revenues relate to the hospitality operations which is generated by providing accommodation, food and beverage and leisure facilities to hotel guests. Revenue from accommodation is recognized over the period that the guest stays at the hotel; food and beverage revenue as well as revenue from leisure activities is recognized when goods and services are provided. Further it includes variable considerations that are considered highly probable that a reversal will not take place in the future.

#### **Income from interests in associates and other investments related to Group Managed funds**

Income from interest in associates and other investments related to Urban Partners Managed funds comprise a fair value movement of the other investments directly or indirectly held by the Group.

The carried interest income is calculated taking into account the required performance conditions and distribution agreements with each Fund as a whole.

#### **Administrative expenses**

Administrative expenses comprise expenses for premises, sales as well as office expenses, etc.

#### **Staff expenses**

Staff expenses comprise wages and salaries as well as payroll-related expenses.

#### **Pension**

The Group makes contributions to defined contribution pension plans. The contributions are recognized in the consolidated statement of comprehensive income as incurred.

#### **Share base compensation**

Warrants were issued to certain partners and employees of the Group. The warrants are equity-settled shared-based payment transactions as they may only be settled by shares in Urban Partners A/S. The costs related to the warrants are recognized over the vesting period of four year. The participants must make certain payments for receiving the warrants, which is assumed to equal the fair value of the issued warrants. The costs related to the warrant are offset by the payments received from the participant, creating a nil impact on the consolidated statement of comprehensive income.

The fair value of the employee services received in exchange for the warrants is determined at the grant date.

#### **Depreciation, amortisation and impairment losses**

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of property, plant and equipment, intangible assets and goodwill.

#### **Financial income and expenses**

Financial income and expenses comprise interest income and expense determined on an amortised cost basis and exchange rate adjustments.

#### **Property, plant and equipment**

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction. All indirectly attributable borrowing expenses are recognised in the income statement.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Land and buildings	50 years
Other fixtures and fittings, tools, and equipment	3-5 years
Leasehold improvements	20 years

Depreciation period and residual value are reassessed annually.

#### **Intangible assets**

Finite life intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses and are amortized on a straight-line basis over their estimated useful lives, which range between 2 to 12 years. Amortization is recorded within depreciation and amortization in the Statements of comprehensive income.

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in cost of sales. Intangible assets under development and Goodwill are tested for impairment annually.

#### **Impairment non-financial assets**

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

### **Leases**

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### **Right-of-use assets**

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. Refer to note 8.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section Impairment of non-financial assets.

### **Lease liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

### **Income taxes**

#### **Current tax receivables and liabilities**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss.

Management periodically evaluates positions taken in the tax returns with respect to situations in which

applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### Deferred tax assets and liabilities

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the

asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

#### Financial assets

##### Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition **depends on the financial asset's contractual cash flow characteristics and the Group's business model** for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

The Group only has financial assets subsequently measured at amortised cost or at FVTPL. The financial assets at FVTPL are included in the other non-current investment in note 14.

##### Subsequent measurement

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is **derecognised, modified, or impaired**. The Company's financial assets are the following:

Financial assets at amortised cost are mainly trade receivables, the other current financial assets consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest as well as the long-term loans to affiliated companies included in other non-current financial assets.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. This category includes investments in equity instruments that do not meet the criteria of a subsidiary or an associate. These investments, included in other non-current financial assets (note 14) are presented at fair value, including the fair value of the carried interests. The profit or loss arising from the fair valuation as well as the carried interest calculation are presented in financial income and “income from carried interests” respectively.

#### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company’s statement of financial position) when:

- The rights to receive cash flows from the asset have expired or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

#### **Impairment**

The Group calculates an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The expected credit loss is based on a provision matrix, which considers the Group’s historic credit losses combined with forward looking information that is expected to affect the loss rates. The Group has no history of significant credit losses on receivables. Due to the substance in and the agreements for receivables combined with the historic low credit loss rate, the expected credit loss on rent and services charge receivables is immaterial.

#### **Financial liabilities**

##### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company’s financial liabilities include trade and other payables, loans and borrowings with credit institutions.

##### **Subsequent measurement**

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

The Company does not have financial liabilities at fair value through profit and loss.

For the financial liabilities at amortised cost, after initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings. For more information, refer to note 21.

#### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### **Cash and cash equivalents**

Cash and cash equivalents in the statement of financial position comprise cash at banks subject to an insignificant risk of changes in value.

#### **Business combinations**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-interests in the acquiree. For each

business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill on acquisition, qualifying as business combinations, is initially measured at cost being the difference between the cost of the business acquisition and the fair value of its identifiable assets, liabilities and contingent liabilities.

#### **New and amended standards and interpretations**

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023. The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosure. The amendments have had an impact on Urban Partners Group's disclosure of accounting policies, but no material impact on the measurement, recognition or presentation of any items in the Annual Report in 2023.

#### **Standards issued but not yet effective**

IASB has issued certain new or amended accounting standards and interpretations that have not yet become effective or adopted by the EU. None of these have been early adopted by the group. Urban Partners expects to adopt the accounting standards and interpretations as they become mandatory. The new or amended standards or interpretations are not expected to have a significant impact on our consolidated financial statements.

### 31. Critical accounting estimates and judgements

The Group makes accounting estimates and judgements concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

The judgments, estimates and assumptions applied are based on historical experience and other factors that Management considers to be reliable, but which by their very nature are associated with uncertainty and unpredictability. These assumptions may prove incomplete or incorrect, and unexpected events or circumstances may arise. The most critical estimates, judgements and assumptions for the individual items are described below.

The Group is also subject to risks and uncertainties that may lead to actual results differing from these estimates, both positively and negatively.

#### Judgements

In the process of applying the Group's accounting policies, management has made the following judgements when applying accounting policies:

Shares are classified as equity investments if the Group does not have an obligation to sell the shares at cost or an amount lower than fair value if the Investors elect another Fund Manager. If the Group has such an obligation, such shares are considered contingent consideration arrangement related to the services delivered under the Investment Management agreements.

#### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising

that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

#### Fair value

Interests in other financial assets managed by Urban Partners owned directly by the Group or indirectly through an associate.

Investments in associates and other investments includes shares owned directly or indirectly which are measured at fair value.

Valuation of some of the shares are subject to significant accounting estimates as the valuation is based on the performance of the Urban Partners Managed Fund exceeding a predetermined hurdle rate, which is in turn driven by the risk factors of the fund including financial capacity of tenants to pay rent, market conditions in terms of supply and demand of buildings / rental space, Urban Partners ability to buy / sell buildings at low / high valuation respectively at the right cycles of the fund investment cycle, independent valuations or better are obtained on sale, vacancy rates, renegotiation terms of rental and financing arrangements, FX rates stability as FX risk is not hedged in the fund, compliance with loan covenants, taxation rules stability and the discount rate applicable to forecasted carried interest flows.

#### Goodwill

At initial recognition goodwill is recognised in the balance sheet at cost, as described in note 11 'Business-combinations'. Subsequently, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised. An impairment test is performed at least once a year together with other non-current assets of the Group. The book value of goodwill is allocated to the Group's cash generating units at the time of acquisition

#### Properties in investments in associates and other non-current investments

Properties held by entities in which the Group hold an equity interest through investments in associates or non-controlling interests are normally measured at fair value. The fair value of investment properties is determined by Urban Partners and assessed by independent valuers using acknowledged valuation techniques. The models used for valuing investment properties can include the net present value of estimated future cash flows, the

capitalisation of expected yields approach, and/or recent transactions of comparable properties. The determination of the inputs in the valuation calculations requires management to make judgments and estimates.

#### **Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to intangibles with indefinite useful lives recognised by the Group.

Management has reviewed the development projects and assessed the possibilities for realising a profitable business basis. These assessments have been used to assess the need of impairment of activated project costs. The assessment did not lead to impairments.

#### **Leases - Estimating the incremental borrowing rate**

When the Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to

make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

### **32. Accounting policies for the Parent Company**

The accounting policies of the Parent Company are the same as for the Group except as described below:

The financial statements of the Parent company have been prepared in accordance with the Danish Financial Statements Act applying to large enterprises of reporting class C.

The Parent Company Financial Statements for 2023 are presented in tDKK.

The income statement is presented according to the nature of expenses. To obtain a true and fair view of the investment management activities of company, fair value changes and dividend from entities holding investments in the funds managed by Urban Partners is presented as a separate line item within profit before financial items. Further, income from associates holding such investments is presented as a separate item within profit before financial items.

The balance sheet is presented in a current/non-current order.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### **Revenue**

The Parent Company has chosen to use IFRS15 as interpretation for revenue recognition. Income from the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

#### **Investments in subsidiaries and associates**

Investments in subsidiaries and associates are accounted for under the equity method. The subsidiaries are accounted under the consolidation approach.

Undistributed reserves in subsidiaries are recognised in a separate reserve within equity.

Subsidiaries and associates with a negative net asset value are recognised at DKK 0 and it is assessed whether receivables should be considered uncollectible. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

#### **Other non-current investments**

Investment in other non-current assets is measured at cost.

#### **Receivables**

Receivables are measured at amortised cost.

The Parent Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

#### **Leases**

The Parent Company has chosen IAS 17 as interpretation for classification and recognition of leases.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Parent Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Parent Company's aggregate

liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

#### **Liabilities**

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

#### **Cash Flow Statement**

With reference to section 86 paragraph 4 of the Danish Financial Statements Act, no Cash Flow Statement for the Parent Company are prepared.