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Årsredovisning
Gärdet HoldCo II AB

Org.nr 559134-5060

Räkenskapsår 2021-01-01 - 2021-12-31

Fastställelseintyg

Undertecknad styrelseledamot i Gärdet HoldCo II AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma den 9 maj 2022. Årsstämman beslutade att godkänna styrelsens förslag till hur vinsten ska fördelas.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Helsinki den 31 maj 2022

Juha Salokoski

Gärdet HoldCo II AB
559134-5060

Årsredovisning för räkenskapsåret 2021-01-01 - 2021-12-31

Styrelsen och verkställande direktören för Gärdet HoldCo II AB avger härmed följande årsredovisning.

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Alla belopp redovisas, om inte annat anges, i TKR (SEK).

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Gärdet HoldCo II AB
559134-5060

Förvaltningsberättelse

Verksamheten
Allmänt om verksamheten
Bolaget äger och förvaltar fastigheter och aktier samt idkar därmed förenlig verksamhet.
Bolaget har sitt säte i Stockholm, Sverige.

Gärdet HoldCo II AB är ett dotterföretag till CMNRE II Investment S.a.r.l. (B218493)

Väsentliga händelser under och efter räkenskapsåret

Covid-19 har under året bidragit till osäkerhet kring konjunktur- och marknadsläge.
Dotterföretaget FAB Lybeck såldes I slutet av räkenskapsåret, inklusive tillhörande fastigheter med tillträde efter räkenskapsårets slut

Anställda
Bolaget har inte haft några anställda under räkenskapsåret.

Flerårsöversikt	**2021**	**2020**	**2019**	**2018**
Resultat efter finansiella poster (tkr)	-95	-226	-142	-15
Soliditet (%)	18	15	20	23

Förändringar i eget kapital

	Aktiekapital	**Balanserat resultat**	**Årets resultat**	**Total eget kapital**
Belopp vid årets ingång enligt fastställd balansräkning	50	75 101	-226	74 925
Aktieägartillskott årets förändring	0	35 500	0	35 500
Omföring av föregående års resultat		-226	226	0
Årets resultat	0	0	-95	-95
Belopp vid årets utgång	**50**	**110 375**	**-95**	**110 330**

Ovillkorade aktieägartillskott uppgår per balansdagen till kr 110 661 292

Förslag till resultatdisposition
Styrelsen föreslår att till förfogande stående vinstmedel

Balanserad vinst	110 375
Årets vinst	-95
	110 280

disponeras så att

I ny räkning överföres	110 280
	110 280

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Resultaträkning

	Not	2021-01-01 2021-12-31	2020-01-01 2020-12-31
Rörelsekostnader			
Övriga externa kostnader		-85	-216
Summa rörelsekostnader		**-85**	**-216**
Rörelseresultat		**-85**	**-216**
Finansiella poster			
Övriga ränteintäkter och liknande resultatposter	3.1	24 722	20 874
Räntekostnader och liknande resultatposter	3.2	-24 731	-20 884
Summa finansiella poster		**-10**	**-10**
Resultat efter finansiella poster		**-95**	**-226**
Resultat före skatt		**-95**	**-226**
Årets resultat		**-95**	**-226**

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Balansräkning

	Not	2021-12-31	2020-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Finansiella anläggningstillgångar			
Andelar i koncernföretag	4-5	125 739	73 889
Fordringar hos koncernföretag		413 696	383 696
		539 435	**457 585**
Summa anläggningstillgångar		**539 435**	**457 585**
Kortfristiga fordringar			
Fordringar hos koncernföretag		60 396	52 176
		60 396	**52 176**
Kassa och bank		55	59
Summa omsättningstillgångar		**60 451**	**52 236**
SUMMA TILLGÅNGAR		**599 886**	**509 821**

Balansräkning

	Not	2021-12-31	2020-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital (50 000 aktier)		50	50
		50	**50**
Fritt eget kapital			
Balanserat resultat		110 375	75 101
Årets resultat		-95	-226
		110 280	**74 875**
Summa eget kapital		**110 330**	**74 925**
Långfristiga skulder			
Skulder till koncernföretag	6	413 852	383 852
Summa långfristiga skulder		**413 852**	**383 852**
Kortfristiga skulder			
Skulder till koncernföretag		75 663	50 932
Upplupna kostnader och förutbetalda intäkter		41	112
Summa kortfristiga skulder		**75 704**	**51 044**
SUMMA EGET KAPITAL OCH SKULDER		**599 886**	**509 821**

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Noter

Not 1. Redovisnings- och värderingsprinciper

Allmänna upplysningar
Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2016:10, Årsredovisning i mindre aktiebolag (K2).

Fordringar, skulder och avsättningar
Fordringar har värderats till det lägsta av anskaffningsvärde och det belopp varmed de beräknas bli reglerade. Övriga tillgångar, skulder samt avsättningar har värderats till anskaffningsvärden om annat ej anges.

Poster i utländsk valuta
Fordringar och skulder i utländsk valuta har värderats till balansdagens kurs. Kursvinster och kursförluster på rörelsefordringar och rörelseskulder redovisas i rörelseresultatet medan kursvinster och kursförluster på finansiella fordringar och skulder redovisas som finansiella poster.

Styrelsen
Könsfördelning bland styrelsemedlemmar är: andel kvinnor i styrelsen 33% och andel män 67%.
Styrelsemedlemmar får inga arvoden.

Intäktsredovisning
Inkomsten redovisas till verkligt värde av vad företaget fått eller kommer att få. Det innebär att företaget redovisar inkomsten till nominellt värde (fakturabelopp) om företaget får ersättning i likvida medel direkt vid leveransen. Avdrag görs för lämnade rabatter.

Not 2. Koncernförhållanden
Företaget är moderföretag men med hänvisning till undantagsreglerna i Årsredovisningslagen 7 kap 2 § upprättas ingen koncernredovisning. Närmaste och yttersta överordnade moderföretag som upprättar koncernredovisning i vilken företaget ingår är CapMan Nordic Real Estate II FCP-RAIF (K1810).

Not 3.1. Ränteintäkter och liknande resultatposter

	2021	2020
Ränteintäkter, koncernföretag	24 722	20 874
	24 722	**20 874**

Not 3.2. Räntekostnader och liknande resultatposter

	2021	2020
Räntekostnader, koncernföretag	-24 731	-20 884
	-24 731	**-20 884**

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Not 4. Andelar i koncernföretag

	2021-12-31	2020-12-31
Ingående anskaffningsvärden	73 889	0
Årets anskaffningar	51 850	73 889
Utgående ackumulerade anskaffningsvärden	**125 739**	**73 889**

Not 5. Specifikation av andelar i koncernföretag

Namn	Kapital-andel	Rösträtts-andel	Antal andelar	Bokfört värde
Fastighets AB Lybeck	100 %	100 %	50 000	125 739
Summa				**125 739**

	Org.nr.	Säte	Eget kapital*	Årets resultat*
Fastighets AB Lybeck	559074-6151	Stockholm	25 061	-29 726

*Eget kapital samt Årets resultat har angetts i sin helhet oavsett ägarandel.
Med Årets resultat avses resultat efter finansiella poster

Not 6. Långfristiga skulder

	2021-12-31	2020-12-31
Förfaller mellan 1 och 5 år efter balansdagen		
Skulder till koncernföretag	413 852	383 852
	413 852	**383 852**
Förfaller senare än 5 år efter balansdagen		
Skulder till koncernföretag	0	0
	0	**0**

Not 7. Ställda säkerheter och eventualförpliktelser

	2021-12-31	2020-12-31
Säkerheter ställda till förmån för koncernföretag		
Andelar i koncernföretag, Fastighets AB Lybeck	125 739	73 889
Lånefordringar hos koncernföretag	413 696	383 696
	539 435	**457 585**
Summa ställda säkerheter	**539 435**	**457 585**

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Not 8. Nyckeltalsdefinitioner

Resultat efter finansiella poster
Resultat efter finansiella intäkter och kostnader, men före bokslutsdispositioner och skatt.

Soliditet (%)
Justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt) i procent av balansomslutningen.

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Gärdet HoldCo II AB
559134-5060

Stockholm den dag som framgår av vår elektroniska signatur.

Anna Reuterskiöld
Ordförande

Per Tängerstad
Ordinarie ledamot

Juha Salokoski
Ordinarie ledamot

Vår revisionsberättelse har lämnats den dag som framgår av vår elektroniska underskrift.

Ernst & Young AB

Camilla Norell
Auktoriserad Revisor

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List of Signatures

Gärdet HoldCo II AB K2 2021_final.pdf

Name	Method	Signed at
CAMILLA NORELL	BANKID	2022-03-31 16:18 GMT+02
Juha Matti Salokoski	Mobiilivarmenne	2022-03-29 06:50 GMT+02
Per Magnus Tängerstad	BANKID	2022-03-28 09:47 GMT+02
Anna Emelie Louise Reuterskiöld	BANKID	2022-03-28 09:44 GMT+02

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Building a better working world

Revisionsberättelse

Till bolagsstämman i Gärdet HoldCo II AB, org.nr 559134-5060

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Gärdet HoldCo II AB för räkenskapsåret 2021-01-01 - 2021-12-31.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Gärdet HoldCo II ABs finansiella ställning per den 31 december 2021 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Gärdet HoldCo II AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen ansvarar även för den interna kontroll som den bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen för bedömningen av bolagets förmåga att fortsätta verksamheten. Den upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om beslut har fattats om att avveckla verksamheten.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om att årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

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Building a better working world

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens förvaltning för Gärdet HoldCo II AB för räkenskapsåret 2021-01-01 - 2021-12-31 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Gärdet HoldCo II AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Stockholm, den dag som framgår av vår elektroniska underskrift

Ernst & Young AB

Camilla Norell
Auktoriserad revisor

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CAMILLA NORELL
Auktoriserad revisor
Serienummer: 19720608xxxx
IP: 145.62.xxx.xxx
2022-03-31 14:18:47 UTC

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CapMan Nordic Real Estate II FCP-RAIF

(Fonds Commun de Placement -
Reserved Alternative Investment Fund)

Consolidated Financial Statements for the financial year ended December 31, 2021

CapMan Nordic Real Estate II FCP-RAIF

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CapMan Nordic Real Estate II FCP-RAIF

Organisation and Administration of the Fund

Manager
CapMan Real Estate Manager S.A.
1B, Heienhaff
L-1736 Senningerberg

Board of Directors of the Manager
Ms. Svetlana Panfilova
Mr Pasi Petteri Erlin (until 25th February 2021)
Mr. Paul-Arnaud de Stexhe
Mr. Nicolai Von den Benken (as from 25th February 2021)

Alternative Investment Fund Manager ("AIFM")
CapMan AIFM Oy
6, Ludviginkatu
00130 Helsinki, Finland

Depositary
Alter Domus Depositary Services S.àr.l.
15, Boulevard F.W. Raiffeisen
L-2411 Luxembourg

Central Administration, Registrar and Transfer Agent
Alter Domus Alternative Asset Fund Administration S.à r.l.
15, Boulevard F.W. Raiffeisen
L-2411 Luxembourg

Auditor
Ernst & Young S.A.
35E, Avenue J. F. Kennedy
L-1855 Luxembourg

Legal Advisor
Ashurst LLP
London Fruit & Wool Exchange
1 Duval Square
London

Investment Advisors
CapMan Real Estate Team

CapMan Real Estate Oy
Ludviginkatu 6
00130 Helsinki

CapMan AB
Stureplan 13, 3rd fl
111 45 Stockholm

CapMan Nordic Real Estate II FCP-RAIF

Consolidated management report

General

CapMan Nordic Real Estate II FCP-RAIF (hereinafter the 'Fund'), was established on July 20, 2017. The Fund and its directly and indirectly owned subsidiaries are together referred to as the "Group".

The Fund is structured as a closed-ended co-ownership of securities (fonds commun de placement) established under and subject to the Luxembourg Law of 23 July 2016.

The management company of the Fund is CapMan Real Estate Manager S.A. (the "Management Company"). The Management Company has appointed CapMan AIFM Oy as the alternative investment fund manager (the "AIFM") to the Fund, to carry out the portfolio management, the risk management, the administration, marketing and asset management function of the Fund.

Investment strategy

The Fund has been established to invest in a diversified portfolio of real estate and real estate related opportunities located in Sweden, Finland, Denmark and Norway ("Nordic" or the "Nordic Region"). The objective of the Fund is to deliver superior risk-adjusted returns through the active hands-on management of properties.

The Fund will seek to provide a gross internal rate of return of 16+% before management fees and carried interest, although there can be no assurance that this return objective will be achieved. The Fund has in total EUR 425.0 million capital commitments (2020: 425.0 million) of which EUR 57.8 million (2020: EUR 80.0 million) was remaining for investment as of December 31, 2021.

Economic headlines

The economic growth in the Nordic region is being supported by stable institutions, policies and practices that are aligned with the common goal of achieving widespread prosperity and sustainable development. Towards the end of 2021 the volatility in political and economic context increased and the Omicron wave resulted the Nordic countries imposing some restrictions on work and leisure activities. Whereas the Covid peak may have passed, with much lower hospitalisation and death rates, the Russian invasion of Ukraine remains a threat to global political stability and financial markets. Currently the longer term effects of the Ukrainian war to the economic development in the Nordics are hard to foresee.

Supply constraints and rising energy costs have seen inflation rates to increase both in the US and Europe. In the US the central bank has announced preparations to increase interest rates in March. Also the ECB, while keeping the interest rates unchanged in their February meeting, has stated preparedness to use its monetary policy tools to fight the inflation. This could also include interest rate increases in 2022. Given the global forces and geopolitical tensions the expectation is for tighter fiscal and monetary policy in 2022. Danske Bank research suggests that an escalation in Russia-Ukraine tensions, and its impact on energy pricing could add 0.7-1.5% to their baseline Euro inflation forecast of 3.3% in 2022. Wage growth will be a key data point to monitor this year, with some evidence of labour shortages across wider Europe. Before the start of the Ukrainian war, ECB was forecasting close to 3% growth in 2023 and 2024, which could potentially lead to higher interest rates. Now the war in Ukraine may affect the interest rate development as well but the effect is hard to forecast.

However, in the Nordic countries both business and households are relatively well positioned, having built up cash reserves during the pandemic, and unemployment rates have fallen back to 2019 levels. Consumption demand is consequently expected to remain robust, particularly with pent up demand from leisure and travel activities once restrictions and risks ease.

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Consolidated management report (continued)

Economic growth forecasts have been lowered but remain above their long-term trends. The very strong final quarter of 2021 was reflected in SEB's February 2022 report, which increased 2021 GDP growth by 0.7% for the Euro zone (up from 4.6% to 5.3%) and by 0.5% for the Nordics (up from 3.7% to 4.2%). However, the 2022 and 2023 forecasts have been trimmed by c. 50 bps for the Euro zone, whereas the Nordic outlook for 2023 improves by 40 bps. These forecasts were made before the war in Ukraine broke out.

GDP change, %	2020	2021	2022	2023
Euro zone	-6.4	5.3	4.0	2.9
Nordic countries	-2.2	4.2	3.3	2.5

GDP change, %	2020	2021	2022	2023
Sweden	-2.8	4.6	3.9	2.3
Norway	-2.5	3.7	3.7	1.4
Denmark	-2.1	3.6	4.1	2.5
Finland	-2.9	3.2	3.0	1.6

Sources: OECD, SEB

Sweden

2022 is an election year in Sweden, with the public going to the polls in September. The government has proposed generous compensation to households for high energy cost, and the budget surplus can be used to maintain the recovery. However, the recovery faces headwinds in the form of both increased commodity prices and lower production due to omicron absence and restrictions. Assuming these are temporary forces, the slowdown is expected to ease after the summer.

After employment fell by 3% in the first wave of the pandemic, the labour market recovered during the second half of 2020. After peaking at 9.4% in June last year unemployment at the end of 2021 stands at 8.8% (down from 9.1% in May). Looking forward, forecasts from SEB indicate unemployment is set to fall to around 7.2% in 2023, and wage growth is forecast to be 2.5% in 2022 and 3.5% in 2023, when some of the long-term collective agreements made in 2020 are due to expire.

House prices increased significantly during the pandemic, as people focused on their living environment while working from home and staycations. This trend is expected to be temporary, but increases of c.2% in real disposable income suggest that forecasts of 5% house price growth in 2022 and 2-3% in 2023 are not unreasonable.

Whereas moderate pay hikes, combined with price pressure on imported goods, have controlled inflation in recent years, supply constraints, increasing wage growth, and energy prices have re-set forecasts for CPIF to 2.4% in 2021 and 3.3% in 2022 (versus previous forecasts of c.1.5%). The Riksbank has made very cautious moves to reduce its expansionary policy. The base rate remained at 0% throughout 2021 but a 25bps increase was added to the 2024 repo rate in the November meeting. Base rates are not expected to increase in the short term, and the Board of the Riksbank has indicated that higher inflation will be tolerated for the time being. Nevertheless, as other central banks increase rates there will be pressure to follow suit. SEB are forecasting that this will happen from H2 2023.

This policy has weakened the SEK relative to other currencies, and will increase the competitiveness of Swedish exported goods and services. The SEK traded at 10.24 to the EUR at the end of 2021, but weakened by 3% to 10.55 by the end of January. The longer term forecast is that SEK will strengthen to 9.70 by the end of 2023.

Consolidated management report (continued)

Denmark

Denmark has been hit by the omicron wave, and this has resulted in some restrictions to leisure facilities during January. However, the economy is showing resilience backed by consumption demand, high levels of household savings, and a strong labour market. The restrictions over the winter are not expected to have a significant impact on growth in 2022, and the Government has already announced an easing of controls from February. 2022 GDP is forecast to be 3.3%, with 2021 coming in at 4%.

Beneficial credit conditions are also underpinning growth, with both households and businesses experiencing easing which is encouraging higher demand for borrowing. Meanwhile savings ratios are also at historic high levels (above 10%) and household confidence has been buoyed by considerable house price inflation in 2021. Consequently, consumption demand is expected to increase by 5.6% in 2022. Unemployment levels have seen some small increases during lockdowns, but the overall trend is falling. The current rate is 5% (down from 6.1% at the end of 2020) and is set to reduce further to below 4% in 2023.

The DKK is pegged to the EUR, and there has been continued appreciation pressure following the Nationalbank's 10 bps rate cut. Subsequently the bank intervened in Q4 2021 by offloading c. DKK 50billion. Further intervention can be expected, but this is unlikely to involve any further interest rate cuts in 2022.

Norway

Activity in the Norwegian economy picked up in 2021 after the sharp fall in spring 2020. At the beginning of 2021, higher infection rates and tighter COVID-related restrictions held back the recovery. Through spring, the pace of vaccination accelerated, and the government managed a gradual re-opening of society. Over the year end and start of 2022 a more severe Covid-19 wave resulted in further national restrictions which has slightly dampened growth forecasts. Nevertheless, Norway is set to post a final figure of 3.9% in 2021 and the highest growth of the Nordic nations in 2022 at 3.7%. The rationale is partly because the latest COVID wave is omicron dominant, with reduced hospitalisation rates observed, hence the government already started easing restrictions in mid-January.

Unemployment has fallen but remains relatively high at 4.3%, with an expectation that it will fall back to 3.9% by the end of 2022. Mainland Norway's GDP is expected to be 3.9% in 2021 and 3.7% in 2022. Due to the pace of the recovery, Norges bank is expected to gradually increase its key rate from the current level of 0.5% to 1.75% by the end of 2023.

The overall 2021 CPI forecast is for an increase of 3.5% - with energy price increases causing a spike at the year end. However, consumers are insulated by high annual wage increases of 3.1% in 2021 and further growth of c.3.5% in 2022 and 2023. Private consumption is consequently expected to drive expansion in 2022, with a 6.6% increase in consumption demand. From 2023 higher interest rates are expected to peg back consumption growth to below 4%.

The NOK has been very weak, plunging to 12 to the EUR at the peak of the oil price war in Q1 2020, before recovering to 10.2 in September 2021. It has subsequently strengthened further in Q4 2021, and was 10.0 at the end of December 2021 and also at the end of January 2022.

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Consolidated management report (continued)

Finland

The Finnish economic growth is lagging slightly behind the other Nordic countries, despite large gains in household income. Salary growth was 2.4% in 2021 and is expected to return similar expansion in 2022. Consumption growth has been less of a driver than in other Nordic countries: Finland posted 2.8% in 2021 compared to 4.6% in Denmark; 4.3% in Norway and 4.9% in Sweden.

Households have been cautious despite the relatively mild effects of the pandemic, which was effectively controlled until the end of 2021. In January indoor leisure activities have been restricted, but are now re-opening and GDP growth is expected to be 3% in 2022.

The highest salary growth levels experienced for a decade, together with employment levels regaining ground back up to their 2019 peak, suggests that the Finnish economy has significant upside potential.

Capital spending is also increasing: a significant pipeline of new homes is expected to be delivered in 2022 with the construction industry benefitting accordingly. Furthermore, business confidence levels are high and lending levels suggest investment is on the rise. Companies are continuing to take advantage of low interest rates to drive their expansion plans.

Another positive feature of the Finnish economy is that export growth of 5.6% is expected in 2022. Meanwhile, import growth has been controlled. This trend is set to continue with order books at record levels

Real Estate Market Overview

Of the three major macro-economic themes (shifts in demographics; new technology; and urbanization "DTU") the Fund has focused on the growth of capital cities, which create interesting opportunities in the residential, retail, logistics and office sectors.

The Nordic transaction volume reached EUR 72 billion in 2021, which represents a 67% increase on 2020, according to Pangea. Sweden accounted for the largest component (EUR 35billion) and the highest year-on-year increase (93%). As mentioned in our last report, the largest individual transaction was Heimstaden's acquisition of the Akelius portfolio in September, accounting for EUR 9 billion. International buyers continued to represent a significant proportion of transaction totals, particularly in Denmark (71%) and Finland (53%), whereas in both Sweden and Finland c.80% of capital was from domestic investors.

Stockholm has been a key market for the Fund, but is characterised by very low vacancy rates in the CBD, limited new supply, and robust tenant demand in established submarkets. The volume of capital chasing limited stock has made competing for deals extremely challenging for investors with prudent underwriting assumptions and limited gearing. Attractive borrowing rates, and the prospect of substantial rent reversions in the best submarkets, have driven investment activity. Whereas COVID-19 has brought an end to the cycle, the lower interest rate environment and "flight to quality" has seen prime yields decline further in 2020 and 2021, albeit maintaining an attractive premium to key rates.

In Copenhagen, Helsinki and Oslo the office markets all experienced strong demand and rental growth over the last 3 years, but stock selection is key and efficient modern buildings, which can be configured for multi-tenant occupation (or converted for residential or hotel use) has been the focus of our strategy.

New infrastructure in the Nordic capital cities is creating interesting opportunities around key transport hubs, e.g. flexible multi-purpose work units. Meanwhile, the population demographics, supported by the well-funded public services in the Nordic countries, provided an attractive context for emerging "living" sectors such as senior housing and city-centre micro apartments.

Stockholm

Capital markets – Highest transaction volume ever reaching SEK 350billion in 2021, driven by a very strong second half of the year. Foreign buyers accounted for 21% of the total volume. Sector wise, focus on residential and public properties accounting for over 50% of the total investment volume. Fewer deals in Stockholm and many geographically spread portfolios, particularly in the residential and public property segment.

Office Rents – The pandemic created a slowdown of the economy which, combined with record low take-up, put pressure on net rents lowering them in the Stockholm CBD by an estimated 4%. In 2022 slight pressure on the rental market in the CBD is expected to continue, but due to the low vacancy levels and the rebound of the economy, rents are expected to have now stabilised, and are forecast to increase in 2022 and 2023. Prime office rents in CBD are currently at SEK 7,500 psqm.

Office Vacancy rates – Stockholm office vacancy rates have increased during the pandemic from around 2.3% in early 2020 to 4.4% in Q1 2021. The office vacancy in prime Stockholm suburbs c.6.5%.

Office Yields – The prime office yield estimate is at 3.25% for CBD and has thereby remained stable during the last year. Prime office yields outside the city centre have also remained firm and are currently 4.0%.

Copenhagen

Capital markets – 2021 has been a record year for commercial real estate transaction in Denmark. The full year total of EUR 14 billion represents a 51% increase on the previous record of EUR 9.3 billion recorded in 2018. The residential market has continued to be the most popular real estate segment traded. Copenhagen residential rent levels have been climbing relentlessly for several years, but the rate of increase is starting to slow down, especially for larger apartments (>99 sqm) as these have now reached a high that only a minority of prospective residential tenants can (or are prepared to) pay. Prime market rents for new residential properties in Copenhagen is DKK 2,100 psqm, while market rents in secondary locations are DKK 1,675 psqm.

Office Vacancy rates – despite the increase in numbers of people working from home, COVID-19 has had relatively little effect on the office market. CBD vacancy rates remain tight at c.3.9%.

Office Rents – Copenhagen office rents, unlike other Nordic capital cities, have not registered and dip during the pandemic. However, historically rental levels are lower and less volatile than in other cities. Current prime rents are around DKK 2,200 per sqm and are forecast to increase steadily in 2022 and 2023.

Office Yields – Prime yields in Copenhagen CBD ranges from 3.25% - 3.50%, while other submarkets are trading higher, but also at 10-year lows. The low long-term interest environment is likely to maintain downward pressure on the best properties, whereas secondary stock yield is expected to remain stable during 2022. (source: Pangea, JLL, C&W and Colliers).

Helsinki

Capital markets – Finnish transaction volumes continued to be relatively strong in 2021 with Pangea reporting a total of EUR 7.4billion (2017 has been the record year to-date at EUR 10.2billion). Q4 was the most active quarter in 2021, contributing EUR 3.4 billion to the total. Domestic pension funds, listed property companies, and international investors have continued to actively look for deals.

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Consolidated management report (continued)

Office Rents – prime office rents in the CBD stabilised at EUR c.420 - 460 per sqm per annum, as supply of flexible and efficient space has been limited, and the development pipeline has been very low. 200,000 sqm of new development space completed in the HMA in 2018-2020 according to Cushman & Wakefield, but new supply is now expected to decline significantly, with the new construction shifting towards the residential sector. Outside of the CBD prime achievable levels have typically been in the EUR 225-275 per sqm per annum range, with the outlook more stable than in 2020 and 2021.

Office Vacancy rates – in the prime City Centre the vacancy rate fell to 3.8% at the end of 2019 - having been as high as 10% in 2013. Owners have reduced over-supply by undertaking conversions of outdated stock to residential units. In H2 2020 JLL reported vacancy rate of 5.6% in the Helsinki CBD.

Office Yields – after a strong downward trend in office yields in the past 5 years, CBRE reports that prime CBD office yields increased slightly from 3.25% in Q1 2020 to 3.5% in Q4 2020. Pangea are also reporting 3.5% in their January 2022 analysis. For prime office outside CBD, there is a similar trend, from 4.0% in Q1 2020 to 4.20% in Q4 2020. Major provincial prime office yields also backed up slightly in the same time period, from 5.25% to 5.75%

Oslo

Capital markets – The investment volume for the first 3 quarters of 2021 was registered at almost EUR 10 billion (total investment volume in 2020 amounted to EUR 9.3 billion) according to Pangea and Malling & Co. Q4 increased this figure by EUR 5.8 billion, making 2021 a record year, some 26% above the previous highest total of EUR 12.5 billion recorded in 2015.

Office Rents – The average of signed office rents in Oslo increased by 9% from Q1 to Q2 2021, according to Arealstatistikk. Rents appear to have had a relatively flat development in the first half of 2021 but are now forecast to increase once again in 2022 and 2023. Prime CBD office rents are according to Malling & Co currently at NOK 5,600 psqm, which was in line with the estimated prime rents at the end of 2020.

Office Vacancy rates – Oslo office vacancy rates increased during the Pandemic from around 5% to 7% in March 2021, but has slightly come down in H2 2021 to 6.8%. 180,000 sqm office space was signed in Q2 2021, which is comparable to historical Q2 volumes. The H2 volume indicates that the letting activity is back to normal levels and likely will continue to improve in 2022.

Office Yields – Prime office yields in CBD have been stable at record low 3.25% since Q4 2020, while normal office yields have decreased approximately 15 bps from 4.00% to 3.85%, narrowing the gap between prime and normal even further. Also, in the out of town office areas, prime yields and normal yields have recently compressed 10-15 bps according to Malling & Co. Pangea are forecasting that yields will start to expand from 2022 as Norges Bank has taken the first moves to increase base rates.

Overview of the activity in 2021

During 2021 the Fund invested in total EUR 28.7 million (2020: EUR 84.6 million) of equity into the investments already in the portfolio. No exits were made in 2021. However, the Fund signed agreements on the sale of the office property Lybeck in Stockholm, Sweden in December 2021. The transaction closed in January 2022. As of December 31, 2021 the remaining commitment including recallable distributions was EUR 57.8 million (2020: EUR 80.0 million). The distributions to the investors totalled EUR 10.4 million in 2021 (EUR 50.7 million in 2020).

No new investments were made in 2021.

Consolidated management report (continued)

As of December 31, 2021 the remaining equity commitments taking into account recallable distributions was EUR 57.8 million (2020: EUR 80.0 million) an the Fund had committed further EUR 53.5 million of equity to existing investments (2020: EUR 62.4).

During 2021 the revenues amounted to TEUR 24,264 (2020: TEUR 24,470) and the net rental income was TEUR 14,225 (2020: TEUR 16,045). The fair value gain of the properties was TEUR 87,735 (2020: TEUR 45,536) and the net profit on disposal of subsidiaries was TEUR nil (2020: TEUR 3,099). The net financing income was TEUR 2,353 (2020: net financing expense TEUR 3,626). Net result attributable to Unitholders after distributions for the year was TEUR 75,416 (2020: TEUR 44,921). As of December 31, 2021, the Net assets attributable to the unitholders of the Fund was TEUR 491,488 (2020: TEUR 397,623).

Outlook for the Group

The Group continues to monitor market sentiment and liquidity very closely and - where business plans are ahead of schedule or substantially completed - early exits will be considered if target cash multiples can be achieved. The investment period of the Fund was closed in 2020 and no new investment have been made since that. Add-on investments to the existing portfolio may still be made in accordance with the management regulations.

Auditors

The consolidated financial statements of CapMan Nordic Real Estate II FCP-RAIF are audited by Ernst & Young S.A., Luxembourg.

Acquisition of Fund's units

No Fund's units were held by the Fund itself or by its subsidiaries or by a person acting in his own name but on behalf of these subsidiaries.

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Consolidated management report (continued)

Subsequent events

The sale of office property Lybeck in Stockholm, Sweden that was signed in December 2021 closed in January 2022. Also, office property Lille Grensen 5 in Oslo, Norway was exited in February 2022. As result of the exits, the remaining equity commitments allocated to the investments were released.

On 24 February 2022, Russia began a full-scale invasion of Ukraine that is the largest conventional military attack on a sovereign state in Europe since World War II. In response, a large number of countries (including EU, the US and UK) began applying significant further sanctions on Russia with the aim of crippling the Russian economy. The conflict itself and the sanctions imposed in response is estimated to pose a substantial economic risk for the region and internationally. Based on preliminary portfolio analysis, the direct impact to Fund's investments is very limited, but the conflict, fluctuations in foreign exchange rates and commodity prices, and the potential to adversely impact global economies, has driven a sharp increase in volatility across markets. The Board of Managers regards these events for the Group as non-adjusting events after the reporting period.

Although neither the Group's performance and going concern nor operations, at the date of the approval of these consolidated financial statements, have been significantly impacted by the above, the Board of Managers continues to monitor the evolving situation and its impact on the financial position and operations of the Group.

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Independent auditor's report

To the Unitholders of
CapMan Nordic Real Estate II FCP-RAIF
1B, Heienhaff
L-1736 Senningerberg
Luxembourg

Opinion

We have audited the consolidated financial statements of CapMan Nordic Real Estate II FCP-RAIF (the "Fund"), which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of comprehensive income, the consolidated statement of changes in net assets and consolidated statement of cash flows for the year ended 31 December 2021, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Fund as at 31 December 2021, and of its financial performance and its cash flows for the year ended 31 December 2021 in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "responsibilities of the "réviseur d'entreprises agréé" for the audit of the consolidated financial statements" section of our report. We are also independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors of the CapMan Real Estate Manager S.A. (the "Management Company") is responsible for the other information. The other information comprises the information included in the consolidated management report but does not include the consolidated financial statements and our report of the "réviseur d'entreprises agréé" thereon.

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Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors of the Management Company for the consolidated financial statements

The Board of Directors of the Management Company is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS as adopted by the European Union, and for such internal control as the Board of Directors of the Management Company determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors of the Management Company is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Management Company either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "réviseur d'entreprises agréé" for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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 consolidated financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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.

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- 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Management Company.
- Conclude on the appropriateness of Board of Directors of the Management Company use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the consolidated 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 report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Fund to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Fund 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.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Pavel Nesvedov

Luxembourg, 29 April 2022

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CapMan Nordic Real Estate II FCP-RAIF

Consolidated Statement of Financial Position
(In EUR thousands)

	Notes	December 31, 2021	December 31, 2020
		TEUR	TEUR
Assets			
Non-current assets			
Investment property	8	655,765	704,522
Loans receivables	11	47,699	39,019
Derivative financial instruments	14	279	17
Deferred income tax assets	15	530	549
Other non-current assets		90	191
Total non-current assets		**704,363**	**744,298**
Current assets			
Rent receivables		423	666
Other current assets	12	5,132	4,779
Cash and cash equivalents		13,941	25,146
Total current assets		**19,496**	**30,591**
Assets classified as held for sale	9	**199,232**	-
Total assets		**923,091**	**774,889**
Liabilities			
Non-current liabilities			
Borrowings	13	300,775	323,819
Lease liability	10	490	331
Deferred income tax liabilities	15	26,147	22,243
Derivative financial instruments	14	341	2,596
Other non-current liabilities		-	115
Total non-current liabilities		**327,753**	**349,104**
Current liabilities			
Borrowings	13	4,906	10,539
Tenant deposits		6,962	6,724
Lease liability	10	63	-
Trade payables	17	1,864	2,064
Other current liabilities	16	7,579	8,481
Total current liabilities		**21,374**	**27,808**
Liabilities directly associated with assets classified as held for sale	9	**81,007**	-
Total liabilities (excluding Net assets attributable to unitholders of the Fund and non-controlling interest)		**430,134**	**376,912**
Net assets attributable to unitholders of the Fund	18	**491,488**	**397,623**
Net assets attributable to non-controlling interest		**1,469**	**354**
Net assets attributable to unitholders of the Fund and non-controlling interest		**492,957**	**397,977**
Total liabilities and net assets		**923,091**	**774,889**

The accompanying notes form an integral part of these consolidated financial statements

CapMan Nordic Real Estate II FCP-RAIF

Consolidated Statement of Comprehensive Income
(In EUR thousands)

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
		TEUR	TEUR
Rental income	19	23,970	24,236
Revenue from services to tenants		294	234
Property operating expenses	20	(10,039)	(8,425)
Net rental income		**14,225**	**16,045**
Other income		-	28
Administrative and other non-operating expenses	21	(9,126)	(9,958)
Net unrealised gains from fair value adjustments on investment property	8	87,735	45,536
Operating profit		**92,834**	**51,651**
Gain on disposal of investment property		512	770
Gain on disposals of subsidiaries and joint operations		-	3,099
Finance income	22	10,763	8,656
Finance costs	22	(8,410)	(12,282)
Profit before income tax		**95,699**	**51,894**
Income tax expense	15	(20,400)	(10,329)
Net result before distributions		**75,299**	**41,565**
Distributions		-	-
Net result after distributions		**75,299**	**41,565**
- attributable to unitholders of the Fund		75,416	44,921
- attributable to non-controlling interest		(117)	(3,356)
Other comprehensive income :			
Items that may be subsequently reclassified to profit or loss			
Currency translation differences		83	644
Total other comprehensive income for the year		**83**	**644**
Total comprehensive income for the year		**75,382**	**42,209**
- attributable to unitholders of the Fund		75,504	45,606
- attributable to non-controlling interest		(122)	(3,348)

The accompanying notes form an integral part of these consolidated financial statements

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CapMan Nordic Real Estate II FCP-RAIF

Consolidated Statement of Cash Flows
(In EUR thousands)

	Notes	December 31, 2021	December 31, 2020
		TEUR	TEUR
CASH FLOW FROM OPERATING ACTIVITIES			
Earnings before taxes		**95,699**	**51,894**
Adjustments :		**(90,858)**	**(48,165)**
Amortization of loan transaction costs	22/13	1,023	1,212
Net unrealised gain from fair value adjustment on investment properties	8	(87,735)	(45,538)
Net fair value (gain) / loss of derivative financial instruments	22	(2,264)	1,719
Gain on disposal of investment property		(512)	(770)
Gain on disposals of subsidiaries		-	(3,098)
Fair value gain/loss on investments at fair value	22	(8,499)	(5,441)
Finance expenses	22	7,387	6,136
Other adjustments		(73)	(2,385)
Cash flow before changes in working capital		**5,026**	**3,729**
Change in working capital		(571)	(6,324)
Interest paid		(6,642)	(6,586)
Other finance expenses paid		(224)	(1,091)
Tenant deposits received		238	3,037
Income taxes paid		(122)	(151)
NET CASH USED IN OPERATING ACTIVITIES		**(2,295)**	**(7,386)**
CASH FLOW FROM INVESTMENT ACTIVITIES			
Acquisitions of investment property	8	(2,037)	(12,109)
Subsequent expenditure on investment property and other investments	8	(55,553)	(42,142)
Disposal of investment property and other investments	8/24	-	40,263
Proceeds from disposals of investment property and inventories	8	1,054	4,102
Issue of loan	11	-	(33,467)
NET CASH USED IN INVESTMENT ACTIVITIES		**(56,536)**	**(43,353)**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from external borrowings	13	41,403	161,162
Repayment of external borrowings	13	(8,827)	(164,578)
Proceeds from unitholders	18	28,688	96,193
Proceeds from minority shareholders	23	1,237	-
Repayment to unitholders	18	(10,327)	(62,279)
Excess distribution to non-controlling interest		-	(166)
NET CASH FROM FINANCING ACTIVITIES		**52,174**	**30,332**
NET CHANGE IN CASH AND CASH EQUIVALENTS		**(6,657)**	**(20,407)**
Cash and cash equivalents in beginning of the year		25,146	45,590
Effects of exchange rate changes on cash and cash equivalents		(60)	(37)
Cash and cash equivalents reclassified as assets held for sale		(4,488)	-
CASH AND CASH EQUIVALENTS END OF YEAR		**13,941**	**25,146**

The accompanying notes form an integral part of these consolidated financial statements

CapMan Nordic Real Estate II FCP-RAIF

Consolidated Statement of Changes in Net Assets
(In EUR thousands)

	Net assets attributable to unitholders	Net assets attributable to non-controlling interest	Total
	TEUR	TEUR	TEUR
Net asset as at December 31, 2019	**318,153**	**3,876**	**322,029**
Proceeds from shares issued (Note 18)	96,193	(166)	96,027
Repayment of units (Note 18)	(62,279)	-	(62,279)
Net result before distributions	44,921	(3,356)	41,565
Other comprehensive income	635	-	635
Total comprehensive income	**45,556**	**(3,356)**	**42,200**
Net asset as at December 31, 2020	**397,623**	**354**	**397,977**
Proceeds from shares issued (Note 18)	28,688	1,237	29,925
Repayment of units (Note 18)	(10,327)	-	(10,327)
Net result before distributions	75,416	(117)	75,299
Other comprehensive income	88	(5)	83
Total comprehensive income	**75,504**	**(122)**	**75,382**
Net asset as at December 31, 2021	**491,488**	**1,469**	**492,957**

The accompanying notes form an integral part of these consolidated financial statements

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CapMan Nordic Real Estate II FCP-RAIF

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

1. General information

CapMan Nordic Real Estate II FCP-RAIF (hereinafter the "Fund" or the "FCP"), was established on July 20, 2017 by CapMan Real Estate Manager S.A., (hereinafter the "Management Company"). The FCP is structured as a closed-ended co-ownership of securities (*fonds commun de placement*) established under and subject to the Luxembourg Law of July 23, 2016 .

The Fund is being established to invest in a diversified portfolio of real estate and real estate related opportunities in Sweden, Finland, Denmark and Norway ("Nordic" or the "Nordic Region"). The objective of the Fund is to deliver superior risk-adjusted returns through the active hands-on management of properties.

The consolidated financial statements for the year ended December 31, 2021 include the Fund and its directly and indirectly owned subsidiaries (together referred to as the "Group").

The financial year of the Group starts on January 1 and ends on December 31 of each year.

The Group's consolidated financial statements are prepared in Euros (EUR) and presented in thousand Euros (TEUR).

The Group prepares IFRS consolidated net assets value (NAV) on quarterly basis for investors reporting purposes.

The Group has been established for a limited period of 7 years, which is counted from the final closing date August 31, 2018, subject to two additional one year extensions at the option of the Management Company, and subject, in the case of the second one year extension, to obtaining the consent of the Advisory Board to such extension.

Investments can be made by the Fund from the establishment date until the earliest of the dates upon which one of the following occur:

i) the fourth anniversary of the Commencement Date (provided that such date may be extended by up to one year by the AIFM with the consent of the Advisory Board);
ii) the day following that upon which all Commitments to the FCP have been drawn down;
iii) such date as the AIFM may determine in its absolute discretion when an amount equal to at least 75 per cent. (75%) of total Commitments (excluding, for the purpose of this calculation, the Undrawn Commitment of any Excused Investor to the extent it has been reduced pursuant to clause 4.6(b) of Management Regulations and the Undrawn Commitment of any Defaulting Investor) has been drawn down (whether or not such amount, or any part thereof, has subsequently been repaid to Investors) and/or contractually committed by the AIFM for any purpose authorised by the Management Regulations;
iv) the good faith determination of the AIFM that changes in applicable laws or regulations or business conditions makes termination of the Investment Period necessary or advisable in the interests of the Unitholders;
v) the termination of the Investment Period by the AIFM with the approval of an Investor Consent; and
vi) upon the failure of the Management Company to call a meeting of Investors or Fund Investors of the other Fund Vehicle as required by clause 7.8(c) of the Management Regulations or an Investor Consent requiring termination of the Investment Period being passed at such meeting(s).

These consolidated financial statements have been approved for issue by the Board of Directors of the Management Company on April 29, 2022.

2. Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and adopted by the European Union.

The consolidated financial statements have been prepared under the historical cost convention, except for the measurement of investment properties at fair value, derivative financial instruments that have been measured at fair value.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

3. Changes in accounting policies and disclosures

The accounting policies adopted, and methods of computation followed are consistent with those of the previous financial year, except for items disclosed below. There were several new and amendments to standards and interpretations which are applicable for the first time in 2021, but either not relevant or do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The following standards, amendments and interpretations to published standards became effective in 2021, are relevant and has been adopted by the Group:

Amendments to IFRS 16 Leases: *Covid-19 Related Rent Concessions*

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 *Leases* The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022.The amendment applies to annual reporting periods beginning on or after 1 April 2021. However, the Group has not received Covid-19-related rent concessions, but plans to apply the practical expedient if it becomes applicable within allowed period of application.

Amendments to IFRS 9, IAS 39, IFRS 7, IFSR 4 and IFRS 16 *Interest Rate Benchmark Reform – Phase 2*

On 27 August 2020, the IASB issued the Phase 2 of the *Interest Rate Benchmark Reform* (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) effective 1 January 2021. The objective of the Amendments is to assist entities with providing useful information to users of financial statements and to support preparers in applying IFRS Standards when changes are made to contractual cash flows or hedging relationships, as a result of the transition from an IBOR benchmark rate to alternative benchmark rates, in the context of the ongoing risk-free rate reform.

The Group assessed that these amendments did not have any significant impact on the consolidated financial statements.

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4. Standards issued but not yet effective

New and amended standards and interpretations issued but not effective up to the date of issuance of the Group's financial statements are disclosed below, if they are expected to have an impact on the Group's financial statements.

The Group intends to adopt these standards, if applicable, when they become effective. The adoption of these revised standards and interpretations are not expected to have a material effect on the financial performance or financial position of the Group.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. However, in November 2021, the IASB published an exposure draft which included a proposal to defer the effective date to no earlier than 1 January 2024.

The Group is monitoring the developments and is assessing the impact the amendments will have on its current accounting policies and whether the Group may wish to re-assess covenants in its existing loan agreements or whether existing loan agreements may require renegotiation.

Amendments to IFRS 3 – Business combinations

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements. The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

Amendments to IAS 37 – Onerous Contracts – Costs of Fulfilling a Contract

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly

chargeable to the counterparty under the contract. The amendments are effective for annual reporting periods beginning on or after 1 January 2022.

Annual Improvements to IFRS Standards 2018-2020 Cycle

- IFRS 1 *First-time Adoption of International Financial Reporting Standards* – Subsidiary as a first-time adopter

  The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS.

  This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted.

- IFRS 9 *Financial Instruments* – Fees in the '10 per cent' test for derecognition of financial liabilities

  The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

  The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

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The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

No other new standards, amendments to standards, or interpretations issued but not effective are expected by management to have a material impact on the Group's

5. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied during the year.

5.A. Basis of consolidation

The consolidated financial statements of the Group include the accounts of the Fund and its subsidiaries listed in Note 25.

Subsidiaries are all entities (including structured entities) over which the Group has the control. The Group controls an entity when it is exposed to or has right to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Specifically, the Group controls an entity if the Group has:

- Power over the entity (i.e., existing rights that give it the current ability to direct the relevant activities of the entity)
- Exposure, or rights, to variable returns from its involvement with the entity
- The ability to use its power over the entity to affect its returns

Generally, there is a presumption that a majority of voting rights results in control.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

All the Group entities have December 31 as their year end. Consolidated financial statements are prepared using uniform accounting policies for like transactions. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group accounting policies.

Transactions with non-controlling interests that do not result in loss of control are accounted for as net assets transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in changes in net assets.

Gains or losses on disposals to non-controlling interests are not recorded in the consolidated statement of comprehensive income.

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in the consolidated statement of profit and loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss. The basis of the judgement is set out in the Note 7.A.

5.B. Property acquisition and business combinations

Where property is acquired, via corporate acquisitions or otherwise, management considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents the acquisition of a business.

Busines combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling 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.

For acquisitions of subsidiaries not meeting the definition of a business, the Group allocates the cost between the individual identifiable assets and liabilities in the Group based on their relative fair values at the date of acquisition. Such transactions or events do not give rise to goodwill. Acquisition related costs are expensed as incurred.

5.C. Assets classified as held for sale

The Group classifies non-current assets (principally investment property) and disposal groups as held for ale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale (except for investment property measured at fair value) are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale is expected to be completed within one year from the date of the classification.

Investment property held for sale continues to be measured at fair value. Assets and liabilities classified as held for sale are presented separately in the consolidated statement of financial position.

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5.D. Foreign currency translation

(i) Functional and presentation currency

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 Euros, which is the functional currency of the Group and the Group's presentation currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented net in the consolidated statement of profit and loss within finance costs and finance income respectively, unless they are capitalised as explained in Note 5.M. ("Borrowing costs"). All other foreign exchange gains and losses are presented net in the statement of other comprehensive income.

(iii) Translation to presentation currency

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

a) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that financial position;
b) income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
c) all resulting exchange differences are recognised in the other comprehensive income.

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation) all of the exchange differences accumulated in unitholder in respect of that operation attributable to the unitholder of the Group are reclassified to consolidated statement of profit and loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in consolidated statement of comprehensive income.

5.E. Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group entities, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment properties under construction for which the fair value cannot be determined reliably, but for which the Group expects that the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed – whichever is earlier.

Investment property comprises mainly residential and office property that are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These buildings are substantially rented to tenants and not intended to be sold in the ordinary course of business.

Investment properties are measured initially at cost, including transaction costs. Transaction costs include only direct acquisition costs linked to due diligence costs such as legal costs, external valuer fees and tax structuring fees.

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect.

Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the consolidated statement of profit and loss during the financial period in which they are incurred.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property under property, plant and equipment up to the date of change in use.

Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

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5.F. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial Assets

(i) Initial recognition and measurement

Financial assets are classified at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income, or fair value through profit or loss (FVPL).

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 Group has applied the practical expedient, the Group 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. As the Group's rent and other trade receivables do not contain a significant financing component or for which the Group has applied the practical expedient, they are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income (OCI), it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

(ii) Subsequent measurement

For purposes of subsequent measurement, the Group's financial assets are classified in two categories:

- Financial assets at fair value through profit or loss (derivative financial instruments)
- Financial assets at amortised cost (rent and other trade receivables, contract assets and cash and short-term deposits)

Financial assets at fair value through profit or loss

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 derivative instruments and loans issued a

Financial assets at amortised cost

For purposes of subsequent measurement, the Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Since the Group's financial assets (rent and other trade receivables, cash and short-term deposits) meet these conditions, they are subsequently measured at amortised cost.

(iii) 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 Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group 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.

(iv) Impairment

The Group recognises 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.

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For rent receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date(i.e., a loss allowance for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default). The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the tenants and the economic environment.

The Group considers a financial asset in default following the rules below:

- 1.5% is considered to be in default for receivables overdue less than 30 days
- 7.5% is considered to be in default for receivables overdue 30 to 90 days
- 15% is considered to be in default for receivables overdue more than 90 days

However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

b) Financial liabilities

(i) Initial recognition and measurement

The Group recognises a financial liability when it first becomes a party to the contractual rights and obligations in the contract.

The Group's financial liabilities comprise interest-bearing loans and borrowings, lease liabilities, derivative financial instruments and trade and other payables. All financial liabilities are initially recognised at fair value and, with the exception of derivative financial instruments, net of directly attributable transaction costs.

Net assets attributable to unitholders
Net assets attributable to unitholders are classified as financial liability due to finite life of the Group and the fact that the Group is liable to repay capital contribution to each investor on liquidation or termination of the find. The Group, however, has an obligation to distribute of the sale proceeds from realization of investments in the course of the life of the Group and therefore does not fulfill all IAS32 criteria to classify its units as equity.

(ii) Subsequent measurement

For the purposes of subsequent measurement, all financial liabilities, except derivative financial instruments, are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the EIR 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 EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derivative financial instruments are classified as financial assets at fair value through profit or loss and 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.

(iii) 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.

c) 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.

5.G. Prepayment

Prepayments are carried at cost less any accumulated impairment losses.

5.H. Current and deferred income tax

The Group is domicilied in Luxembourg. Under the current laws of Luxembourg, there is no income tax payable by the Group. However, an annual subscription tax, at the rate of 0.01% per annum is levied on the Net assets of the Group on the last day of each quarter.

For other Group companies, the tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of profit and loss, except to the extent that it relates to items recognised directly in other comprehensive income.

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements, except for:

- When the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.
- In respect of temporary differences associated with investments in subsidiaries, branches and associates and interests in joint arrangements, 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.

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Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the consolidated statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that the future taxable profit will be available against which the temporary differences can be utilised.

The carrying value of the Group's investment property is assumed to be realised by sale at the end of use. The capital gains tax rate applied is that which would apply on a direct sale of the property recorded in the consolidated statement of financial position regardless of whether the Group would structure the sale via the disposal of the subsidiary holding the asset, to which a different tax rate may apply. The deferred tax is then calculated based on the respective temporary differences and tax consequences arising from recovery through sale.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

5.I. Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above as they are considered an integral part of the Group's cash management.

The Group reports cash flows using the indirect method. Interest received and paid is presented within operating cash flows.

5.J. Rent receivables

Rent receivables are recognised at their original invoiced value except where the time value of money is material, in which case rent receivables are recognised at fair value and subsequently measured at amortised cost.

5.K. *Tenant deposits*

Companies of the Group obtain deposits from tenants as a guarantee for returning the property at the end of the lease term in a specified good condition. Tenant deposits are initially recognised at fair value and subsequently measured at amortised cost. Any difference between the initial fair value and the nominal amount is included as a component of operating lease income and recognised on a straight-line basis over the lease term.

5.L. Provisions

Provisions are recognised when:

- The Group has a present legal or constructive obligation as a result of past events;
- It is probable that an outflow of resources will be required to settle the obligation; and
- The amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost.

5.M. Borrowing costs

Borrowing costs directly attributable to the acquisition of investment properties, inventories, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the costs of the respective assets until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of Groups.

5.N. Revenue recognition

Revenue includes rental income and services to tenants including management charges and other expenses recoverable from tenants.

Rental income

The Group earns revenue from acting as a lessor in operating leases which do not transfer substantially all of the risks and rewards incidental to ownership of an investment property.

Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of comprehensive income due to its operating nature, except for contingent rental income which is recognised when it arises.

Initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense over the lease term on the same basis as the lease income.

Tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the term of the lease. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the Group is reasonably certain that the tenant will exercise that option.

Amounts received from tenants to terminate leases or to compensate for dilapidations are recognised in the consolidated statement of comprehensive income when the right to receive them arises.

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Revenue from services to tenants

For investment property held primarily to earn rental income, the Group enters as a lessor into lease agreements that fall within the scope of IFRS 16. These agreements include certain services offered to tenants (i.e., customers) including common area maintenance services (such as cleaning, security, landscaping and snow removal of common areas), as well as other support services (e.g., reception services, catering and other event related services). The consideration charged to tenants for these services includes fees charged based on a percentage of the rental income and reimbursement of certain expenses incurred. These services are specified in the lease agreements and separately invoiced.

The Group has determined that these services constitute distinct non-lease components (transferred separately from the right to use the underlying asset) and are within the scope of IFRS 15. The Group allocates the consideration in the contract to the separate lease and revenue (non-lease) components on a relative stand-alone selling price basis.

In respect of the revenue component, these services represent a series of daily services that are individually satisfied over time because the tenants simultaneously receive and consume the benefits provided by the Group. The Group applies the time elapsed method to measure progress.

The consideration charged to tenants for these services is based on a percentage of the rental income. The variable consideration only relates to the non-lease component and is allocated to each distinct period of service (i.e., each day) as it meets the variable consideration allocation exception criteria.

The Group arranges for third parties to provide certain of these services to its tenants. The Group concluded that it acts as a principal in relation to these services as it controls the specified services before transferring them to the customer. Therefore, the Group records revenue on a gross basis.

Income arising from expenses recharged to tenants is recognised in the period in which the compensation becomes receivable.

5.O. Dividend

Dividend distribution to the Group's investors is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved.

5.P. Administrative and other non-operating expenses

Expenses include legal, accounting, auditing and other fees. They are recognised in the consolidated statement of profit and loss in the period in which they are incurred (on an accrual basis).

5.Q. 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, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

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

5.R. Fair value measurements

The Group measures financial instruments such as derivatives and investment property 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 at the measurement date.

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.

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5.S. Lease

Group is the lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet in accordance with their nature. The Group elected to recognise lease income for variable payment that depends on an index or a rate on a straight-line basis.

At the commencement date, the Group assesses whether the lessee is reasonably certain to exercise an option to extend the lease or to purchase the underlying asset, or not to exercise an option to terminate the lease. The Group considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise, or not to exercise, the option, including any expected changes in facts and circumstances from the commencement date until the exercise date of the option.

The Group makes payments to agents for services in connection with negotiating lease contracts with the Group's lessees. The letting fees are capitalised within the carrying amount of the related investment property and are amortised over the lease term.

Group is the lessee

(i) At initial recognition

The Group acting as lessee recognises a right-of-use asset and a lease liability for all leases with a term of more than 12 months, unless the underlying asset is of low value. The right-of-use asset is measured at it's cost which includes the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date (less any lease incentives received), any initial direct costs incurred by the Group; and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The lease liability is measured at the present value of the lease payments that are not paid at the date of the consolidated statement of financial position.

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured at the applicable index or rate at the lease commencement date;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, or the penalty payable on the exercise of a termination option unless the Group is reasonably certain not to exercise the option; and
- any amounts expected to be payable under residual value guarantees.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. Extension and termination options are included in a number of property leases across the Group. These are used to maximise operational flexibility in terms of managing the investment properties used in the Group's leasing activities. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group is using the lessee's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

(ii) Subsequent measurement

The Group measures the right-of-use assets that meet the definition of investment property using the cost model applied to its investment property.

The lease liability is measured as follows:
a) increasing the carrying amount to reflect interest on the lease liability;
b) reducing the carrying amount to reflect the lease payments made; and
c) remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

Where the Group is exposed to potential future increases in variable lease payments based on an index or rate, these are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Fund assumed, that the fair value of right– of–use asset corresponds to the fair value of lease liability as at 31 December 2021.

6. Financial risk management

The risk management of the Group is structured to ensure that the Group meets its financial targets and to identify potential key risks that could prevent the Group meeting these targets. The risk management is an ongoing process that commences from the investment analysis phase, when relevant risks related to individual investments and mitigants to those risks are identified, and continues throughout the Group's ownership. Risk monitoring and reporting takes place at individual investment, portfolio, and Group level on a regular basis. The risk management process and levels of risk analysed are described below.

6.A. Risk management process

- *Identification:* Key risks related to investments and mitigants to these risks are identified and documented at the investment analysis phase. During the Group's ownership potential new risks are identified on an ongoing basis.

- *Establishing risk limits:* For those risks that it is possible a risk limit is established to set the acceptable level of risk that can be taken. For some risks it is not possible to set a quantifiable risk limit. Assessing these risks may require more management judgement.

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- *Monitoring and measuring:* Risks are monitored and measured regularly. Investment level risks are reported to the board of directors of relevant Special Purpose Vehicles ("SPVs"). Portfolio and Group level risks are reported to the Management Company board of directors. Monitoring risks is a continuous process and formal risk reporting takes places on quarterly basis, unless more frequent reporting is required.

- *Mitigation:* If the likelihood of a risk exceeds the risk limit or a risk materializes, appropriate actions are taken to mitigate the risk or minimize the effect of the risk.

Levels of risk

- *Group level risks:* Group level risks relate to the operations of the Group itself and are mainly operational and regulatory risks by nature. Regulatory risks relate to the effects of possible changes in the tax, legal and regulatory environment under which the Group operates.

- *Portfolio level risks:* Portfolio level risks relate mainly to the market risks inherent in the real estate markets which the Group invests in, such as changes in yields and rent levels and to the performance of real estate markets in general.

- Investment level risks: Investment level risk are risks that relate directly to the individual investments that the Group makes and can include operational, legal, financial or market risks.

Types of risk

- *Financial risks:* Financial risks are risks arising from financial instruments to which the Group is exposed during or at the end of the reporting period. Financial risk comprises market risk which is comprised of three types of risk: foreign exchange risk, interest rate risk, credit risk and liquidity risk.

- *Regulatory and legal risks:* Regulatory and legal risks are risks arising from changes in legislation and regulations in the operating environment of the Group or its investments.

- *Operational risks:* Operational risks are risks relating to the general private equity real estate Group and property businesses that are not classified market, financial and regulatory and legal risks. These are risks that relate to the general underlying business that the Group operates in.

6.B Financial risk factors

The Group's principal financial liabilities, other than derivatives, are loans and borrowings. The main purpose of the Group's loans and borrowings is to finance the acquisition and development of its property portfolio. The Group has rent and other trade receivables, trade and other payables and cash and short-term deposits that arise directly from its operations.

The Group is exposed to market risk (currency risk, interest rate risk, price risk), credit risk , liquidity risk.

The Group's Managing company oversees the management of these risks. The Board of Directors of a Managing Company reviews and agrees policies for managing each of these risks which are summarised below.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risks: interest rate risk and currency risk. The financial instruments held by the Group that are affected by market risk are principally loans and borrowings and the derivative financial instruments.

Limit on exposure to currency and interest rate risk is set by management generally at the time of investment decision. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of the hedge designations in place at 31 December 2021. The analyses exclude the impact of movements in market variables on the non-financial assets and liabilities of foreign operation.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at December 31, 2021.
- The sensitivity of equity is calculated by considering the effect of any associated cash flow hedges and hedges of a net investment in a foreign operation at December 31, 2021 for the effects of the assumed changes of the underlying risk.

Sensitivities to market risks included below in section (i) are based on a change in one factor while holding all other factors constant. In practice, this is unlikely to occur, and changes in some of the factors may be correlated - for example, changes in interest rate and changes in foreign currency rates.

(i) Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's net investments in foreign subsidiaries.

The Group operates internationally and is exposed to foreign exchange risk, primarily with respect to the Swedish Krona (SEK), Norwegian Krone (NOK) and to the Danish Krone (DKK) that is pegged to Euro. Foreign exchange risk arises in respect of those recognised monetary financial assets and liabilities that are not in the functional currency of the respective Group entity.

The Group is exposed to the local currencies (DKK, NOK,SEK) which are local functional currencies, but applies matching principle whereby it settles liabilities denominated in currency with cash from their own operations in that currency.

As a result, the Group is exposed to the net foreign currency operation which is translated to the Group's presentation currency with effects against the "Cumulative foreign currency translation reserve" in the consolidated statement of financial position or in the consolidated statement of comprehensive income.

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The Group's financial assets and liabilities are included in the table below, categorised by currency, but disclosed at their carrying amount (in TEUR).

As at December 31, 2021

Financial assets	TEUR	TSEK	TDKK	TNOK	Total (TEUR)
Loan receivables	47,699	-	-	-	47,699
Rent receivables	133	254	22	14	423
Derivative financial instruments	100	31	139	9	279
Other financial assets	119	268	840	35	1,262
Cash and cash equivalents	6,043	1,678	3,141	3,079	13,941
Total financial assets	**54,094**	**2,231**	**4,142**	**3,137**	**63,604**

Financial liabilities	TEUR	TSEK	TDKK	TNOK	Total (TEUR)
Borrowings	67,376	14,288	204,661	19,356	305,681
Tenant deposits	468	-	6,494	-	6,962
Derivative financial instruments	46	-	295	-	341
Trade payables	761	353	499	251	1,864
Other liabilities	2,931	2,206	486	180	5,803
Total financial liabilities	**71,582**	**16,847**	**212,435**	**19,787**	**320,651**

As at December 31, 2020

Financial assets	TEUR	TSEK	TDKK	TNOK	Total (TEUR)
Loan receivables	39,019	-	-	-	39,019
Rent receivables	76	335	221	34	666
Derivative financial instruments	17	-	-	-	17
Other financial assets	159	48	879	41	1,127
Cash and cash equivalents	7,899	8,938	4,275	4,034	25,146
Total financial assets	47,170	9,321	5,375	4,109	65,975

Financial liabilities	TEUR	TSEK	TDKK	TNOK	Total (TEUR)
Borrowings	57,130	53,149	194,682	29,397	334,358
Tenant deposits	335	-	6,389	-	6,724
Derivative financial instruments	160	491	1,165	780	2,596
Trade payables	758	421	791	94	2,064
Other liabilities	1,362	2,996	1,447	250	6,055
Total financial liabilities	**59,745**	**57,057**	**204,474**	**30,521**	**351,797**

Currently the Group does not use any derivative financial instruments to manage or hedge currency risk. Foreign exchange risk is managed by matching the principal cash outflows to the currency in which the principal cash inflows are denominated. The income and expenses related to individual properties and their associated bank loans taken are in the currencies of the countries where the properties are located ("matching principle").

The functional currency of the Group's principal subsidiaries are the Euro, Swedish Krona, Norwegian Krone and Danish Krone. Due to the fact that Danish Krone is pegged to Euro with a +/-2.25% fluctuation band, the Danish Krone exchange rate risk for the Group is not considered to be significant.

A decline of 50 basis points in the value of the Norwegian krona against Euro, Swedish crowns against Euro would have negative effects on:

		Impact on net result	Impact on net asset
		TEUR	TEUR
NOK	+/- 0.5%	+/- 9	-/+ 246
SEK	+/- 0.5%	-/+ 110	-/+ 677
Total		**-/+ 119**	**-/+ 923**

(ii) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to its long-term debt obligations with floating interest rates (Note 14).

To manage its interest rate risk, the Group enters into interest rate swaps in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed notional principal amount.

The Group's policy is to fully hedge the interest rate risk arising from its variable interest borrowings. The decision to hedge is made as part of the investment process, also taking into account the requirements of loan agreements.

Post-closing the Group monitors the hedging ratio, fair value changes of hedging instruments, and remaining maturity of hedging instruments compared to the corresponding loan maturities. As the Group hedges all of the interest rate, it has no interest rate exposure from the start of the hedging until expiry. An interest rate risk arises, and may be realised, in situations where the Group exits an investment before the maturity date of the hedging, which usually is the same as the contractual final repayment date of the loan.

In these situations the hedging instruments typically have either positive or negative fair values, which could cause a corresponding break income or cost to terminate the hedging. The Group takes potential break costs and income into account in its exit analysis.

Trade and other receivables, trade and other payables and tenant deposits are interest free and with a term of less than one year, so it is assumed that there is no interest rate risk associated with these financial assets and liabilities.

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As of December 31, 2021, if interest rates had been 100 basis points higher with all other variables held constant, net result after tax for the period would have been TEUR 871 lower (2020: TEUR 611). The relevant reference interest rates are currently at low levels (e.g. EURIBOR 3m at -0.587% and STIBOR 3m at -0.05% as of December 31, 2021). If the interest rates had been 100 basis points lower, the net result after tax would not have been impacted (2020: TEUR 38 higher).

The average effective interest rates of financial instruments at the date of the statement of financial position, based on reports reviewed by key management personnel, were as follows:

As at December 31, 2021

Effective interest rates	**EUR**	**SEK**	**DKK**	**NOK**
Loans from financial institutions	2.76%	2.43%	1.19%	3.49%
Other loans	-	-	5.31%	-

As at December 31, 2020

Effective interest rates	**EUR**	**SEK**	**DKK**	**NOK**
Loans from financial institutions	2.75%	2.41%	1.21%	3.11%
Other loans	-	-	5.31%	-

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. Credit risk arises from cash and cash equivalents held at banks, trade receivables including rent receivables from lessees and other finaicial assets. The Group has no significant concentrations of credit risk.

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

	As at December 31, 2021 TEUR	**As at December 31, 2020** TEUR
Derivative financial instruments	279	17
Rent receivables	423	666
Other current assets and accrued income [1]	1,302	1,127
Cash and cash equivalents	13,941	25,146

[1] Does not include VAT receivables and income tax receivables.

The main source of credit risk for the Group relates to the rent receivables. Such credit risk is monitored on an ongoing basis for each counterparty as part of the normal rental administration process, and relevant actions to collect rents due are taken in timely manner. Credit risk is also reported to the management on quarterly basis as part of the Group's standard management reporting process. Diversification of tenant base, selection of tenants with a good credit history and strong financial position, and efficient rent collection, are the key credit risk management tools for the Group.

Tenants deposits may be withheld by the Group in part or in whole if receivables due from the tenant are not settled, or if there are other breaches of contract.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all rent and other receivables. To measure the expected credit losses using simplified approach rent and other receivables are assessed based on shared credit risk characteristics and the days past due. An impairment analysis is performed at each reporting date on an individual basis for major tenants.

On that basis, the loss allowance as at December 31, 2021 was determined as follows for rent receivables:

	As at December 31, 2021 TEUR	As at December 31, 2020 TEUR
Rent receivables, gross:		
Past due but not impaired:		
- Less than 30 days overdue	49	147
- 30 to 90 days overdue	242	101
- More than 90 days overdue	178	503
Total past due but not impaired	**469**	**751**
Less: impairment provision	(46)	(85)
Total Rent receivables, net of provision for impairment	**423**	**666**

Other financial assets are neither past due nor impaired.

The credit risk with respect to cash and cash equivalents is considered immaterial as the Group holds cash accounts in reputable financial institutions (please refer to the table below):

As at December 31,2021

Bank	Standard & Poor's rating
SEB	A+
Swedbank	A+
Nordea	AA-
Danske Bank	A+
OP Pohjola	AA-
RBSI	BBB
Jyske Bank	A
Handelsbanken	AA-
BRFkredit	A-

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Liquidity risk

The focus for the liquidity management of the Group is efficient cash management. This includes maintaining sufficient cash at both Group and individual investment levels, together with planning and executing sustainable distribution policies from investments to the Group and from the Group back to investors.

Where feasible the Group also considers using credit lines to finance any short term cash needs of the Group. When completing acquisitions the Group plans the timing of the capital calls to investors so that their capital is put to work efficiently.

The Group monitors its liquidity position at both Group and individual investment level. At Group level sufficient working capital reserves are maintained to finance expenses, and upfront deal related costs, such as due diligence cost before they are re-invoiced to the SPVs. Generally, during the investment period, the Group intends to maintain cash reserves for three months of estimated Group level costs.

As of December 31, 2021 the Group does not have any Group level credit lines. Any working capital requirements are financed by capital calls to the Group investors or by cash distributions from investments.

Each investment is managed individually from a cash management perspective. At acquisition an initial working capital injection is made to the property companies if necessary. After that, the properties are assumed to be able to finance expenditure by operative cash flow generated from rental income. Certain properties with more extensive capital expenditure programs and tenant improvement needs may require additional equity or debt financing during the holding period. An appropriate cash reserve is determined for each investment, and a rolling 12 month cash flow forecast is maintained. In general, the Group intends to distribute all surplus cash in excess of cash requirements from the SPVs to Group level, and from there to investors. Sometimes the bank loans may contain restrictions (like cash covenants) on upstream cash distributions from the SPVs, which may require that additional cash is held at SPV level. These restrictions are taken into account in the cash management process.

A summary table, with maturity of financial assets and liabilities, is presented below. This is used by key management personnel to manage liquidity risk and is derived from management reports at investment level. The amounts disclosed in the tables below are the contractual undiscounted cash flows. Undiscounted cash flows in respect of balances due within 12 months generally equal their carrying amounts in the statement of financial position, as the impact of discounting is not significant.

The maturity analysis of financial instruments at December 31, 2021 is as follows:

in TEUR	No fixed maturity	On demand and less than 1 year	From 1 year to 2 years	From 2 to 5 years	Total
Assets					
Cash and cash equivalents	-	13,941	-	-	13,941
Loan receivables	-	-	47,699	-	47,699
Derivative financial instruments	-	9	-	270	279
Rent receivables	-	423	-	-	423
Other financial assets [1]	-	1,215	46	-	1,262
Total assets	**-**	**15,589**	**47,745**	**270**	**63,604**
Liabilities					
Net assets attributable to unitholders	491,488	-	-	-	491,488
Loans from financial institutions	-	16,439	69,537	196,858	282,834
Other loans	-	-	-	719	719
Derivative financial instruments	-	638	471	279	1,387
Tenant deposits	-	6,962		-	6,962
Trade payables	-	1,864	-	-	1,864
Other financial liabilities [2]	-	5,310	-	-	5,310
Total liabilities	**491,488**	**31,213**	**70,008**	**197,856**	**790,564**

[1] Does not include VAT receivables and income tax receivables.

[2] Does not include Income tax liability, advance received and VAT liability.

The maturity analysis of financial instruments at December 31, 2020 is as follows:

in TEUR	No fixed maturity	On demand and less than 1 year	From 1 year to 2 years	From 2 to 5 years	Total
Assets					
Cash and cash equivalents	-	25,146	-	-	25,146
Loan receivables	-	-	-	39,019	39,019
Derivative financial instruments	-	-	-	17	17
Rent receivables	-	666	-	-	666
Other financial assets [1]	-	957	170	-	1,127
Total assets	**-**	**26,769**	**170**	**39,036**	**65,975**
Liabilities					
Net assets attributable to unitholders	397,623	-	-	-	397,623
Loans from financial institutions	-	7,628	64,124	245,938	317,690
Other loans	-	-	-	687	687
Derivative financial instruments	-	1,113	836	639	2,588
Tenant deposits	-	-	6,724	-	6,724
Trade payables	-	2,064	-	-	2,064
Other financial liabilities [2]	-	6,725	115	-	6,840
Total liabilities	**397,623**	**17,530**	**71,799**	**247,264**	**734,216**

[1] Does not include VAT receivables and income tax receivables.
[2] Does not include Income tax liability, advance received and VAT liability.

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The amount of contractual undiscounted cash flows related to loans from financial institutions is based on variable interest rates and other loans based on fixed interest rate. The amount disclosed regarding loans from financial institutions is determined by reference to the conditions existing at the reporting date - that is, the actual spot interest rates effective as of December 31 are used for determining the related undiscounted cash flows.

6.C Capital risk management

For the purpose of this section, capital means Net assets attributable to unitholders of redeemable units as well as investors' loans and their related interest, as these loans are considered invested capital.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, provide returns for unitholders, and maintain an optimal capital structure to reduce the cost of capital. In order to maintain or manage the capital structure, the Group may adjust and control the amount of distributions paid to unitholders, draw down new capital from unitholders or change the leverage used to finance its investment in properties.

The actions taken to maintain or adjust the capital structure are done within the limits of remaining commitments of the Fund and taking into account the rules in the management regulations of the Fund.

Capital structure is managed based on the loan-to-value (LTV) ratio. According to the management regulations of the Fund the maximum LTV of investments is 75% at acquisition. Within 12 months from the end of the investment period the Group shall use reasonable endeavours to reduce the Fund level LTV to 60% of gross asset value in maximum. The Group monitors its capital structure and LTV ratio on quarterly basis.

The LTV ratio at year-end was as follows:

in TEUR	As at December 31, 2021	As at December 31, 2020
Loans from financial institutions [1]	**307,780**	**337,239**
Loans from financial institutions classified as held for sale [1]	**62,215**	**-**
Fair value of the portfolio [2]	655,765	704,522
Other assets	267,326	70,692
Gross Asset Value (GAV)	**923,091**	**775,214**
LTV (%)	**40%**	**44%**

[1] gross amount, the unamortized transaction costs are not deducted (See Note 13.A)
[2] includes investment properties

6.D Fair value estimation

The fair value of the financial assets and liabilities of the Group by level of valuation (see 5.R) as of December 31, 2021 are presented in the table below:

Assets (in TEUR)	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Loan receivables	-	-	47,699	**47,699**
Derivative financial instruments	-	279	-	**279**
Assets for which fair values are disclosed:				
Rent receivables	-	-	423	**423**
Other financial assets [1]	-	-	1,232	**1,232**
Cash and cash equivalents	13,941	-	-	**13,941**

Liabilities (in TEUR)	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value:				
Derivative financial liabilities	-	341	-	**341**
Liabilities for which fair values are disclosed:				
Net assets attributable to unitholders	-	-	491,488	**491,488**
Loans from financial institutions	-	-	305,104	**305,104**
Other loans	-	-	577	**577**
Tenant deposits	-	-	6,962	**6,962**
Trade payables	-	-	1,864	**1,864**
Other financial liabilities [2]	-	-	5,193	**5,193**

[1] Does not include VAT receivables and Current income tax receivables.
[2] Does not include Income tax liability, advance received and VAT liability.

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The fair value of the financial assets and liabilities of the Group by level of valuation as of December 31, 2020 are presented in the table below:

Assets (in TEUR)	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Loans receivable	-	-	39,019	**39,019**
Derivative financial instruments	-	17	-	**17**
Assets for which fair values are disclosed:				
Rent receivables	-	-	666	**666**
Other financial assets [1]	-	-	1,126	**1,126**
Cash and cash equivalents	25,146	-	-	**25,146**

Liabilities (in TEUR)	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value:				
Derivative financial liabilities	-	2,596	-	**2,596**
Liabilities for which fair values are disclosed:				
Net assets attributable to unitholders		-	397,623	**397,623**
Loans from financial institutions	-	-	333,781	**333,781**
Other loans	-	-	577	**577**
Tenant deposits	-	-	6,724	**6,724**
Trade payables	-	-	2,064	**2,064**
Other financial liabilities [2]	-	-	5,177	**5,177**

[1] Does not include VAT receivables and Current income tax receivables.
[2] Does not include Income tax liability, advance received and VAT liability.

The Group applies IFRS valuation principles when determining the fair value of financial instruments. The following presents the principles for determining the fair values of all financial assets and liabilities.

The Fund cannot estimate the timing of settlement of redeemable participating units.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. As all significant inputs are observable in order to fair value those instruments, they are included in Level 2.

Derivative financial instruments

The fair value of derivative financial instruments is the estimated amount that the Group would receive or pay to settle the related agreements. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.

Other financial assets and liabilities

The management assessed that cash, trade and other financial assets and trade and other financial liabilities, approximate their carrying amounts largely due to the short-term maturities of these instruments. In addition, carrying values of financial assets and liabilities that are accounted at amortized cost are a reasonable approximation of fair value.

The fair value of loans from financial institutions deviates from their carrying amount by the amount of unamortized loan arrangement fees.

7. Critical accounting estimates and judgements

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue, expenses and unrealised gains or losses during the period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

7.A Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Business combination and asset acquisition

The Group acquires subsidiaries that own real estate. At the time of acquisition, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Group accounts for an acquisition as a business combination where an integrated set of activities and assets, including property, is acquired. More specifically, consideration is given to the extent to which substantive processes are acquired and, in particular, the extent of services provided by the subsidiary (e.g., maintenance, cleaning, security, bookkeeping, hotel services, etc.).

When the acquisition of subsidiaries does not represent a business combination, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognised.

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7.B Estimates and assumptions

The key assumptions concerning 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.

Valuation of Investment Properties

The fair value of investment property is determined by real estate valuation experts using recognised valuation techniques and the principles of IFRS 13 Fair Value Measurement. Investment property is measured based on estimates prepared by independent real estate valuation experts, except where such values cannot be reliably determined.

The key assumptions used to determine the fair value of the properties and sensitivity analyses are provided in Note 8.

Principal assumptions for income taxes

The Group is subject to income taxes currently in Denmark, Sweden, Finland, Norway and Luxembourg. Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expenses already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences in interpretation may arise for a wide variety of issues depending on the conditions prevailing in the respective Group Company's domicile.

Fair value of derivatives and other financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques based on quoted prices in active markets. When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

8. Investment property

The Group's investment property is measured at fair value. Movements during the year were as follows:

	As at December 31, 2021 TEUR	As at December 31, 2020 TEUR
Fair value hierarchy	Level 3	Level 3
Fair value - Opening balance	**704,522**	**696,010**
Acquisitions :		
Direct acquisitions of investment property	2,037	12,109
Subsequent expenditure on investment property :		
Capital expenditure	55,553	42,142
Other changes :		
Capitalized letting fees	-	165
Straight lining of lease incentives	84	-
Increase in right of use asset	281	272
Other changes	-	(326)
Disposals	(538)	(95,003)
Net gain from fair value adjustments on investment property	87,735	45,536
Foreign exchange difference	349	3,617
Total Investment property	**850,024**	**704,522**
Less classified held for sale	(194,259)	-
Fair value - Closing balance	**655,765**	**704,522**

During 2020 and 2021, the Group acquired certain leasehold which are classified as investment property. These leases are land leases and they have typically lease terms between 8 and 12 years. As at December 31, 2021, the right-of-use assets amounted to TEUR 553 (2020: TEUR 331).

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Valuation processes

In accordance with the Management Regulations fair value of Investment property is defined based on external valuations, performed at acquisition of investment properties and thereafter annually.

The Group's investment properties are valued by independent professionally qualified valuers who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. The valuations of Group's investment properties as at December 31, 2021 and 2020 were made by Cushman&Wakefield/DTZ, Nordicals (previously Nybolig) and Colliers.

External valuations are performed at acquisition of investment properties and thereafter annually according to the Management Regulations of the Fund.

The valuations performed by the independent valuers are reviewed by the Fund's Investment Advisor. Investment Advisor's team reviewing the valuations include the case responsible investment professional, the partner responsible for Fund's operations and the Chief Financial Officer. This team reports directly to the Management Company of the Fund.

At each financial year end all major inputs to the independent valuation report are verified, valuation movements are assessed compared to the prior year valuation report and discussions are held with the independent valuers.

For all investment properties, their current use equates to the highest and best use.

Investment properties fair values are cathegorised at Level 3 fair value hierarchy.

There were no transfers between Levels 1, 2 or 3 during 2021.

IFRS requires to state the fair values of investment properties net of purchasers' costs and gross of sellers' costs. Considering the local market practice in Finland, Denmark, Sweden and Norway the independent valuer does not include deductions for purchaser's costs. In management view, it is a prudent assessment which reflects local market practices and the expected market price to be received by the Fund.

Valuation techniques underlying management's estimation of fair value

The fair value of investment property is determined using a discounted cash flow (DCF) method.

DCF method

Under the DCF method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, an appropriate, market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, and refurbishment. The appropriate durations are typically driven by market behaviour that is a characteristic of the class of real property. Periodic cash flows are typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other

operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

The tables below presents the following for each class of the investment property:

- The fair value measurements at the end of the reporting period
- A description of the valuation technique applied
- The inputs used in the fair value measurement, including the ranges of rent charged to different units within the same building
- For Level 3 fair value measurements, quantitative information about the significant unobservable inputs used in the fair value measurement

Information about fair value measurements using significant unobservable inputs (Level 3) is presented in the table below:

Investment	Fair value at 31 December 2021	Fair value at 31 December 2020	Key unobservable inputs	2021	2020
Anna, Office Finland	36,000	22,100	ERV (TEUR)	2,540	2,390
			Rental growth p.a.	1.60%	1.40%
			Long term vacancy rate	5.60%	5.00%
			Discount rate	5.60%	6.10%
			Exit yield	4.00%	4.70%
City Pearls, Office Finland	48,900	40,700	ERV (TEUR)	2,575	2,436
			Rental growth p.a.	1.60%	1.40%
			Long term vacancy rate	4.80%	4.60%
			Discount rate	5.48%	5.65%
			Exit yield	3.88%	4.25%
Goose portfolio, Mixed Denmark	118,916	104,839	ERV (TEUR)	4,741	4,574
			Rental growth p.a.	1.50%	1.51%
			Long term vacancy rate	0.00%	0.00%
			Discount rate	4.65%	5.19%
			Exit yield	3.15%	3.68%
Lille Grensen 5, Office / Retail* Norway	-	40,171	ERV (TEUR)	N/A	1,707
			Rental growth p.a.	N/A	2.00%
			Long term vacancy rate	N/A	0.00%
			Discount rate	N/A	5.88%
			Exit yield	N/A	3.88%
Lock, Industrial / Office Sweden	43,901	30,894	ERV (TEUR)	9,003	6,672
			Rental growth p.a.	2.00%	2.00%
			Long term vacancy rate	3.40%	3.80%
			Discount rate	8.00%	8.45%
			Exit yield	6.00%	6.50%
Lybeck, Office* Sweden	-	108,627	ERV (TEUR)	N/A	7,851
			Rental growth p.a.	N/A	2.00%
			Long term vacancy rate	N/A	0.00%
			Discount rate	N/A	6.50%
			Exit yield	N/A	4.60%
Singeln, Office Sweden	13,939	13,281	ERV (TEUR)	2,486	2,461
			Rental growth p.a.	2.00%	2.00%
			Long term vacancy rate	8.80%	8.80%
			Discount rate	7.75%	7.75%
			Exit yield	5.75%	5.85%
Red Warehouse, Office Denmark	36,954	18,963	ERV (TEUR)	2,343	2,108
			Rental growth p.a.	1.50%	1.50%
			Long term vacancy rate	1.00%	2.00%
			Discount rate	5.00%	5.25%
			Exit yield	3.50%	3.75%

	Fair value at 31 December				
Property	**2021**	**2020**	**Key unobservable inputs**	**2021**	**2020**
Multipurpose Warehouse Portfolio, Warehouse Finland	25,158	20,600	ERV (TEUR)	2,400	2,133
			Rental growth p.a.	1.60%	1.40%
			Long term vacancy rate	7.20%	8.00%
			Discount rate	8.62%	8.90%
			Exit yield	7.04%	7.50%
Harley, Retail Denmark	23,734	20,602	ERV (TEUR)	1,707	1,695
			Rental growth p.a.	1.50%	1.50%
			Long term vacancy rate	1.00%	1.00%
			Discount rate	6.00%	6.25%
			Exit yield	4.50%	4.75%
Brynet Option, Residential Denmark	53,481	52,413	ERV (TEUR)	2,396	2,435
			Rental growth p.a.	1.50%	1.50%
			Long term vacancy rate	0.00%	0.00%
			Discount rate	5.25%	5.40%
			Exit yield	3.75%	3.90%
Stork, Mixed Norway	135,995	126,248	ERV (TEUR)	5,678	7,012
			Rental growth p.a.	2.00%	2.00%
			Long term vacancy rate	0.00%	0.00%
			Discount rate	5.94%	5.86%
			Exit yield	3.94%	3.86%
Koebmagergade 42 Denmark	44,565	40,412	ERV (TEUR)	1,309	1,462
			Rental growth p.a.	1.50%	1.50%
			Long term vacancy rate	0.00%	1.00%
			Discount rate	4.65%	4.65%
			Exit yield	3.15%	3.15%
Bryns Alléen 2 Finland	45,521	37,072	ERV (TEUR)	2,659	2,783
			Rental growth p.a.	2.00%	2.00%
			Long term vacancy rate	0.00%	0.00%
			Discount rate	5.25%	5.25%
			Exit yield	4.75%	5.00%
Ringroad Fortress Denmark	28,700	27,600	ERV (TEUR)	2,910	2,863
			Rental growth p.a.	1.60%	1.40%
			Long term vacancy rate	8.20%	8.00%
			Discount rate	8.10%	8.15%
			Exit yield	6.50%	6.75%

*As at December 31, 2021, the assets and liabilities related to Lille and Lybeck are presented as held for sale (see note 9). These properties were valued with the reference to the selling price as of December 31, 2021.

The unobservable inputs are inter-related and change in one variable is likely to have an effect on one or more other variables, for example expected vacancy rates may impact the yield with higher vacancy rates resulting in higher yields. An increase in the future rental income may be linked with higher costs like increased tenant improvement expenditure. If the remaining lease term increases the yield may decrease.

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Significant increases (decreases) in estimated rental value (ERV) and rent growth per annum in isolation would result in a significantly higher (lower) fair value of the property.

Significant increases (decreases) in the long-term vacancy rate and discount rate (and exit yield) in isolation would result in a significantly lower (higher) fair value. Generally, a change in the assumption made for the ERV is accompanied by a directionally similar change in the rent growth per annum and discount rate (and exit yield), and an opposite change in the long-term vacancy rate.

The sensitivity as at December 31, 2021 is as follows:

Investment	Sensitivity on discount rate		Sensitivity on cap rate		Sensitivity on rental growth		Sensitivity on structural vacancy	
	+0.5% higher	-0.5% lower	+0.5% higher	-0.5% lower	+1.0% higher	-1.0% lower	+1.0% higher	-1.0% lower
Brynsalleen 2	(481)	501	(2,483)	3,063	1,141	(501)	(180)	260
Lock	(5,693)	6,135	(3,660)	4,325	774	(774)	(709)	709
Singeln	(830)	873	(1,229)	1,463	403	(403)	(355)	355
Anna	(1,876)	1,971	(3,746)	4,817	4,170	(3,839)	(667)	667
City Pearls	(1,955)	2,054	(4,009)	5,198	5,062	(4,657)	(626)	625
Ringroad Fortress	(995)	1,042	(1,149)	1,340	2,290	(3,025)	(424)	425
Goose portfolio	(17,304)	23,455	(11,621)	11,940	6,286	(5,610)	(1,963)	27
Multipurpose Warehouse portfolio	(816)	856	(842)	971	2,333	(2,177)	(317)	317
Harley	(3,022)	3,971	(1,960)	2,626	797	(588)	(279)	448
Stork	(15,726)	21,174	(15,726)	21,174	834	(870)	(1,822)	-
Brynet	(6,320)	8,230	(4,249)	5,513	40	(27)	(645)	-
Kobmagergade 42	(8,001)	11,027	(5,756)	7,921	928	(914)	(659)	(13)
Red Warehouse	(6,509)	8,701	(6,603)	2,878	820	(780)	(645)	645
Total	**(69,528)**	**89,990**	**(63,031)**	**73,230**	**25,879**	**(24,164)**	**(9,292)**	4,465

The sensitivity as at December 31, 2020 was as follows:

Investment	Sensitivity on discount rate		Sensitivity on cap rate		Sensitivity on rental growth		Sensitivity on structural vacancy	
	+0.5% higher	-0.5% lower	+0.5% higher	-0.5% lower	+1.0% higher	-1.0% lower	+1.0% higher	-1.0% lower
Lybeck	(4,996)	5,250	(8,835)	10,991	1,417	(1,417)	(1,514)	1,514
Lille Grensen 5	(2,235)	2,426	(2,646)	3,429	344	(344)	(153)	29
Brynsalleen 2	(2,541)	2,722	(2,292)	2,808	525	(525)	(153)	153
Lock	(3,824)	4,134	(1,980)	2,309	946	(946)	(488)	488
Singeln	(772)	813	(1,153)	1,333	395	(395)	(348)	348
Anna	(1,457)	1,531	(2,484)	3,075	636	(3,607)	(488)	488
City Pearls / Pieni Roobertinkatu 11	(416)	437	(781)	993	55	(1,105)	(145)	145
City Pearls / Korkeavuorenkatu 30	(447)	469	(745)	922	323	(1,166)	(141)	142
City Pearls / Pohjoisesplanadi 21	(772)	812	(1,547)	1,990	698	(1,915)	(248)	249
Ringroad / Polaristontti 5	(464)	486	(509)	589	269	(1,398)	(201)	201
Ringroad / Polaristontti 7	(480)	502	(529)	614	1,550	(1,497)	(207)	207
Goose portfolio	(15,039)	20,078	(10,039)	9,972	5,819	(5,188)	(1,747)	40
Multipurpose Warehouse portfolio	(671)	703	(637)	728	472	(1,854)	(274)	273
Harley	(2,782)	3,454	(1,787)	2,217	685	(659)	(5,522)	349
Stork	(13,643)	17,890	(13,643)	17,891	1,940	(1,621)	(1,473)	-
Brynet V	(2,889)	3,750	(1,908)	2,473	54	(54)	(296)	-
Brynet VI	(2,957)	3,817	(1,949)	2,527	54	(54)	(309)	-
Brynet Parking C	(108)	148	(81)	94	27	(27)	(13)	13
Kobmagergade 42	(7,123)	9,703	(5,053)	6,894	914	(847)	(175)	175
Red Warehouse	(4,986)	6,558	(3,535)	4,637	753	(699)	(524)	524
Total	**(68,602)**	**85,683**	**(62,133)**	**76,485**	**17,875**	**(25,315)**	**(14,419)**	**5,339**

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9. Assets and liabilities classified as held for sale

The assets and liabilities related to the Group companies CMNRE2 LG5 HoldCo AS and Gärdet HoldCo II AB are presented as held for sale as at December 31, 2021, following the decisions of the Group's management to sell the companies and the Group's active marketing for sale.

The Group did not dispose of the companies during 2021, the transactions are expected to complete within one year after the closing date and the assets and liabilities of the Companies therefore remain classified as a disposal group.

The disposal groups comprise the assets and liabilities of Lille Grensen (CMNRE2 LG5 HoldCo AS, Lille Grensen 5 Holding AS) and Lybeck (Gärdet HoldCo II AB, Fastighets AB Lybeck).

9.A Assets of disposals groups classified as held for sale

December 31, 2021	Lille TEUR	Lybeck TEUR	Total TEUR
Assets			
Non-current assets			
Investment property	46,341	147,917	194,259
Deferred income tax assets	8	-	8
Total non-current assets	**46,349**	**147,917**	**194,267**
Current assets			
Rent receivables	42	2	44
Other current assets	71	362	433
Cash and cash equivalents	1,291	3,197	4,488
Total current assets	**1,404**	**3,561**	**4,965**
Total assets held for sale	**47,753**	**151,478**	**199,232**

9.B Liabilities of disposal groups held for sale

December 31, 2021	Lille TEUR	Lybeck TEUR	Total TEUR
Liabilities			
Non-current liabilities			
Deferred income tax liabilities	3,931	12,390	16,321
Derivative financial instruments	37	211	248
Total non-current liabilities	**3,968**	**12,602**	**16,569**
Current liabilities			
Borrowings	20,436	41,779	62,215
Trade payables	167	2	168
Other current liabilities	193	1,861	2,054
Total current liabilities	**20,795**	**43,642**	**64,437**
Total Liabilities directly associated with assets classified as held for sale	**24,763**	**56,244**	**81,007**

10. Lease liabilities

During 2020, the Group acquired certain leasehold assets which are classified as investment property (Note 8). Related lease liability recored at the time amounted to EUR 282 As a result as at December 31, 2021, the lease liability amounted EUR 553 (December 31, 2020: EUR 331).

Set out below are the carrying amounts of lease liabitlities recognised and the movements during the year:

in TEUR	in TEUR
As at 1 January 2020	-
Lease Liability	348
Accretion of interest	8
Payments	(25)
As at 31 December 2020	331
Additions	282
Accretion of interest	15
Payments	(75)
As at 31 December 2021	553
Non-Current	490
Current	63

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11. Loans receivables

On 7th of February 2020 the Fund issued the loan with seniority to the equity and subordination to the bank financing to Anspartsselskabet Lighthouse United with the nominal amount of TDKK 250,000 (EUR33.6m). The loan bears interest of 5.95% p.a. and is maturing on 30th of June 2023.

Anspartsselskabet Lighthouse United is a developer in charge for construction and sale of residential units in Copenhague, Denmark ('Lighthouse'). Overall the Lighthouse project is designed to develop and sell 41,303 sq.m.

The loan contains a feature which guarantees an additional return of DKK 2,775 to the Fund for each square meter sold paid at the loan maturity. All units remaining unsold after maturity of the loan shall be acquired by the Fund at a fixed price of DKK 30,320 per sq.m.

The loan and guarantee attached to it were accounted for at FVTPL at both, 31 December 2020 and 31 December 2021.

The fair value of this loan receivables is as follows:

	As at December 31, 2021	As at December 31, 2020
Loan fair value calculation		
Loan drawdown at 31/03/2020 (in TDKK)	250,000	250,000
Contractual interest at 5.95% p.a. for the period 03/03/2020 - 30/06/2023 (in TDKK)	54,273	54,273
Undiscounted repayment balance at 30/06/2023 (in TDKK)	**304,273**	**304,273**
Fair value of loan, discounted at 6.2% p.a. (in TDKK)	**277,310**	**260,675**
Fair value of loan, discounted at 6.2% p.a. (in TEUR)	**37,291**	**35,035**
Guarantee fair value calculation	TDKK	TDKK
Guarantee fee per sold residential sqm	2,775	2,775
Residential apartments sold as at year end, sqm	30,588	12,466
Undiscounted guarantee balance (in TDKK)	**84,882**	**34,593**
Fair value of guarantee, discounted at 6.2% p.a. (in TDKK)	**77,397**	**29,660**
Fair value of guarantee, discounted at 6.2% p.a. (in TEUR)	**10,408**	**3,984**
Total fair value (TDKK)	**354,706**	**290,335**
DKK/EUR rate at closing	0.1345	0.1344
Total fair value (TEUR)	**47,699**	**39,019**

12. Other current assets

	As at December 31, 2021 TEUR	As at December 31, 2020 TEUR
VAT receivable	2,713	2,329
Other receivable	1,172	956
Income tax receivable	978	1,366
Prepayment	269	128
Total	**5,132**	**4,779**

13. Borrowings

The movements in amounts of the loans are as follows:

	As at December 31, 2021	As at December 31, 2020
Opening balance	**334,358**	**359,267**
Proceeds	41,403	161,162
Principal repayment	(8,827)	(188,170)
Additional transaction costs	(472)	(485)
Amortisation of transaction costs	1,023	1,212
Impact of change of foreign exchange rate	411	1,372
Classified as held for sale	(62,215)	-
Closing balance	**305,681**	**334,358**
Non-current borrowings	300,775	323,819
Currrent borrowings	4,906	10,539

	As at December 31, 2021 TEUR	As at December 31, 2020 TEUR
Non-current borrowings		
Loans from financial institutions	300,198	323,242
Other loans	577	577
	300,775	**323,819**
Currrent borrowings		
Loans from financial institutions	4,906	10,539
	4,906	**10,539**
Total borrowings	**305,681**	**334,358**

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13.A. Loans from financial institutions

As at December 31, 2021, Group's loans from financial institutions relate to the bank loans borrowed to finance the acquisition of properties. The loans are denominated in Danish Krone, in Swedish Krona, in Norwegian Krone or in Euro depending on the country where the investment is located.

As at December 31, 2021, the carrying amount of the loans is as follows in EUR and in original currency.

	In original currency	In Group currency	In original currency	In Group currency	In original currency	In Group currency	In original currency	Total
	TDKK	TEUR	TSEK	TEUR	TNOK	TEUR	TEUR	**TEUR**
Loans from financial institutions	1,530,929	205,874	148,875	14,524	195,000	19,522	67,860	**307,780**
Unamortised transaction costs	(13,314)	(1,790)	(2,417)	(236)	(1,662)	(167)	(482)	**(2,676)**
	1,517,615	**204,084**	**146,458**	**14,288**	**193,338**	**19,354**	**67,378**	**305,104**

As at December 31, 2020, the carrying amount of the loans is as follows in EUR and in original currency.

	In original currency	In Group currency	In original currency	In Group currency	In original currency	In Group currency	In original currency	Total
	TDKK	TEUR	TSEK	TEUR	TNOK	TEUR	TEUR	**TEUR**
Loans from financial institutions	1,459,742	196,178	538,550	53,671	309,997	29,607	57,783	**337,239**
Unamortised transaction costs	(15,417)	(2,072)	(5,241)	(522)	(2,190)	(209)	(655)	**(3,458)**
	1,444,325	**194,106**	**533,309**	**53,149**	**307,807**	**29,398**	**57,128**	**333,781**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021 (continued)

As at December 31, 2021, terms and conditions related to loans from financial institutions are as follows:

Borrower	Lender	Currency	Nominal amount (Original currency)	Nominal amount (Group currency)	Current	Non-current	Final repayment date	Contractual interest rate	Effective interest rate, % p.a.
Anna / Kansakoulukatu 3:									
Kiinteistöosakeyhtiö Kansakoulukatu 3	OP Vakuutus	EUR	18,650	18,650	-	18,650	14/09/2024	CIBOR 3M+4.20%	4.31%
City Ky :									
City Pearls Ky	Danske Bank	EUR	21,700	21,700	-	21,700	24/04/2024	CIBOR 3M+1.70%	1.95%
Brynet :									
Risskov Brynet V K/S	Danske Bank	DKK	115,257	15,499	-	15,499	02/09/2049	CIBOR 3M +1.95%	0.58%
Risskov Brynet VI K/S	Danske Bank	DKK	115,257	15,002	-	15,002	02/09/2049	CIBOR 3M +1.95%	0.58%
Ringroad Fortress Ky :									
Ringroad Fortress Ky	Danske Bank	EUR	16,129	16,129	551	15,578	16/12/2024	CIBOR 3M+1.85%	2.15%
Harley :									
GKL 84 ApS	Handelsbanken	DKK	18,664	2,510	2,510	-	30/06/2022	CIBOR 3M+1.85%	1.32%
KBMG 42/ Købmagergade 42									
Købmagergade 42 ApS	Nordea Bank	DKK	138,100	18,571	-	18,571	19/12/2049	CIBOR 3M+2.00%	1.40%
Goose:									
CMNRE II Goose HoldCo Aps	SEB	DKK	476,074	64,020	739	63,281	29/05/2023	CIBOR 3M+1.19%	1.05%
Multipurpose Warehouse:									
Suomen Monitoimitilat Ky	Nordea Bank	EUR	11,381	11,381	349	11,032	20/06/2024	CIBOR 3M+2.40%	2.60%
Brynsalléen:									
CMNRE II Brynsalléen 2 PropCo AS	BN Bank	NOK	195,000	19,522	-	19,522	15/07/2024	NIBOR 3M+ 2.55%	3.61%
Stork :									
Stork Ejendomme ApS	SEB	DKK	557,089	74,915	757	74,158	28/02/2025	1.35%	1.56%
Lock :									
CMNRE2 Vintergatan AB	SEB	SEK	148,875	14,524	-	14,524	31/10/2024	CIBOR 3M+2.25%	2.71%
Red Warehouse :									
Red Warehouse PropCo ApS	Danske Bank	DKK	54,082	7,275	-	7,275	30/06/2027	2.00%	0.39%
			Total	**307,780**	**4,906**	**302,874**			

CapMan Nordic Real Estate II FCP-RAIF

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021 (continued)

As at December 31, 2020, terms and conditions related to loans from financial institutions were as follows:

Borrower	Lender	Currency	Nominal amount (Original currency)	Nominal amount (Group currency)	Current	Non-current	Final repayment date	Contractual interest rate	Effective interest rate, % p.a.
Anna / Kansakoulukatu 3:									
Kiinteistöosakeyhtiö Kansakoulukatu 3	OP Vakuutus	EUR	13,650	13,650	-	13,650	14/09/2024	CIBOR 3M+4.20%	4.37%
City Ky :									
City Pearls Ky	Danske Bank	EUR	21,069	21,069	322	20,747	20/04/2024	CIBOR 3M+1.70%	1.97%
Brynet :									
Risskov Brynet V K/S	Danske Bank	DKK	115,970	15,585	-	15,585	02/09/2049	CIBOR 3M +1.95%	0.58%
Risskov Brynet VI K/S	Danske Bank	DKK	112,237	15,084	-	15,084	02/09/2049	CIBOR 3M +1.95%	0.58%
Ringroad Fortress Ky :									
Ringroad Fortress Ky	Danske Bank	EUR	16,681	16,681	552	16,129	16/12/2024	CIBOR 3M+1.85%	2.15%
Harley :									
GKL 84 ApS	Handelsbanken	DKK	60,100	8,077	8,077	-	28/09/2021	CIBOR 3M+1.08%	1.20%
KBMG 42/ Købmagergade 42									
Købmagergade 42 ApS	Nordea Bank	DKK	138,100	18,560	-	18,560	19/12/2049	CIBOR 3M+2.00%	1.28%
Goose:									
CMNRE II Goose HoldCo Aps	SEB	DKK	462,828	62,200	-	62,200	30/04/2023	CIBOR 3M+1.19%	1.04%
Lille Grensen:									
CMNRE2 LG5 HoldCo AS	Danske Bank	NOK	136,997	13,084	278	12,806	01/12/2022	CIBOR 3M+2.50%	3.01%
Lybeck:									
Fastighets AB Lybeck	SEB	SEK	439,300	43,780	892	42,888	01/12/2022	STIBOR 3M+2.00%	2.33%
Multipurpose Warehouse:									
Suomen Monitoimitilat Ky	Nordea Bank	EUR	6,383	6,383	143	6,240	20/06/2024	CIBOR 3M+2.40%	3.42%
Brynsalléen:									
CMNRE II Brynsalléen 2 PropCo AS	BN Bank	NOK	173,000	16,523	-	16,523	15/07/2024	NIBOR 3M+ 2.55%	3.19%
Stork :									
Stork Ejendomme ApS	SEB	DKK	568,458	76,389	-	76,389	02/02/2020	1.35%	1.56%
Lock :									
CMNRE2 Vintergatan AB	SEB	SEK	99,250	9,899	-	9,899	18/08/2024	CIBOR 3M+2.25%	2.73%
Red Warehouse :									
Red Warehouse PropCo ApS	Danske Bank	DKK	2,049	275	275	-	31/03/2021	2.00%	11.67%
			Total	**337,239**	**10,539**	**326,670**			

The loans from financial institutions have standard market practice financial covenants, which include loan to value (LTV), interest cover ratio (ICR), solvency ratios and a covenant on net working capital level. The bank loans are collateralized by the pledges of owners' mortgages over the properties and shares and shareholder loans in the relevant SPVs. As at December 31, 2021 and December 31, 2020 the Group complied with all these covenants.

The interest rate risk and the maturity profile of the borrowings of the Group is presented in Note 6.B.

Mortgages and securities given on loans from financial institutions are disclosed in Note 26.

13.B. Other loans

As at December 31, 2021 and 2020, other loans relate to the loan denominated in DKK from the minority shareholder. This loan bear 6% per annum fixed interest on TEUR 577, (TDKK 4,249) (2020: TEUR 577, (TDKK 4,249)).

14. Derivative financial instruments

The derivative financial instruments of the Group at December 31, 2021 and 2020 include interest rate swaps entered into to hedge the interest rate risk in variable rate loans (please refer to Note 13.A.).

	As at December 31, 2021		As at December 31, 2020	
	Assets TEUR	Liabilities TEUR	Assets TEUR	Liabilities TEUR
Interest rate swaps	279	(341)	17	(2,596)

The Group does not apply hedge accounting in accordance with IFRS 9. Nevertheless, interest rates swaps are part of economic hedge relationships. Interest rate swaps are used to fix the interest payments of variable debt instruments.

The notional amounts of the outstanding interest rate swap contracts at December 31, 2021 were TEUR 271,200 (2020: TEUR 262,176) and the fair value TEUR (62) (2020: TEUR (2,579)).

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The terms and conditions of the derivative instruments as at December 31, 2021 are summarised in the table below:

Entities	Fair value	Counterpart	Maturity date	Notional amount	Fixed rate paid, %	Floating rate received, %
	TEUR			TEUR		
CMNRE II Goose HoldCo Aps	(295)	SEB	30/04/2023	61,509	0.26%	-0.17%
City Pearls Ky	(6)	Danske Bank	24/04/2024	9,262	-0.05%	-0.54%
Ringroad Fortress Ky	49	Danske Bank	13/12/2024	17,232	1.00%	-0.54%
Suomen Monitoimitilat Ky	11	Nordea Bank Ab	20/06/2024	5,782	-0.10%	-0.55%
CMNRE II Brynsalléen 2 HoldCo AS	9	SpareBank 1 SMN	30/08/2024	17,319	1.61%	0.68%
Stork Ejendomme ApS	139	SEB	02/12/2024	77,996	0.03%	-0.17%
CMNRE2 Vintergatan AB	31	Swedbank	19/08/2024	9,756	0.10%	-0.09%
	(62)			271,200		

The terms and conditions of the derivative instruments as at December 31, 2020 are summarised in the table below:

Entities	Fair value	Counterpart	Maturity date	Notional amount	Fixed rate paid, %	Floating rate received, %
	TEUR			TEUR		
Påsen HoldCo AB	-	Swedbank	28/03/2023	15,313	0.72%	0.00%
CMNRE II Goose HoldCo Aps	(577)	SEB	30/04/2023	61,471	0.26%	-0.12%
CMNRE2 LG5 HoldCo AS	(243)	Danske Bank	01/12/2022	13,084	1.49%	0.00%
Gärdet HoldCo I AB	(479)	SEB	30/11/2022	44,577	0.64%	0.00%
City Pearls Ky	(128)	Danske Bank	24/04/2024	9,450	-0.05%	-0.30%
Ringroad Fortress Ky	8	Danske Bank	13/12/2024	17,232	1.00%	-0.52%
Suomen Monitoimitilat Ky	(22)	Nordea Bank Ab	20/06/2024	1,595	-0.10%	-0.51%
CMNRE II Brynsalléen 2 HoldCo AS	(537)	SpareBank 1 SMN	30/08/2024	16,523	1.61%	0.00%
Stork Ejendomme ApS	(589)	SEB	02/12/2024	77,948	0.03%	-0.22%
CMNRE2 Vintergatan AB	(12)	Swedbank	19/08/2024	9,966	0.10%	0.00%
	(2,579)			267,159		

To ease the reading of the table above, the tranches of the derivative instruments have been cumulated for each companies.

15. Income tax

	As at December 31, 2021 TEUR	As at December 31, 2020 TEUR
Current tax	155	826
Deferred tax	20,245	9,503
Income tax expense	**20,400**	**10,329**

Income taxes are calculated based on the tax rates in the countries where the Group and its subsidiaries have operations, taking into account tax-exempt income and tax losses carried forward.

As at December 31, 2021 and 2020, there are no significant unrecognised deferred tax assets and liabilities.

Reconciliation of tax expenses and the accounting profit is as follows:

in TEUR	2021	2020
Profit before income tax	**95,699**	**51,894**
Tax expenses calculated at domestic tax rates	**(18,700)**	**(8,185)**
Tax effect of:		
- Tax for the year relating to capitalised unused loss carryforwards	164	56
- Expenses not deductible for tax purposes	(1,817)	(2,200)
- Other adjustments	(47)	-
	(20,400)	**(10,329)**

In 2021, the Group was subject to income tax in Denmark, Sweden, Finland and Norway. The tax rate applied on results generated in these countries are 22% (2020: 22%), 20.60% (2020: 21.4%), 20% (2020: 20%) and 22% (2020: 22%) respectively.

In Luxembourg, the income tax rate is 24.94% (2020: 24.94%). The Fund is not subject to an income tax but to an annual subscription tax of 0.01%, calculated and payable quarterly, on the aggregate Net assets value of the outstanding units of the Fund at the end of each quarter.

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	Consolidated statement of financial position		Consolidated statement of profit or loss	
(in TEUR)	2021	2020	2021	2020
Tax loss carried forward	520	466	54	188
Revaluations of Investment properties	(45,506)	(24,334)	(21,171)	(1,420)
Assets held for sale	16,313	-	-	-
Effect of disposals of entities	-	-	-	(7,047)
Other	3,056	2,174.11	873	(1,224)
Deferred tax expense/ (income)			**(20,245)**	**(9,503)**
Net deferred tax liabilities	**(25,617)**	**(21,694)**	-	-
Reported as assets	**530**	**549**	-	-
Reported as liabilities	**(26,147)**	**(22,243)**	-	-

The Group has tax losses that arose in 2021 of TEUR 520 (2020: TEUR 466) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group, they have arisen in subsidiaries that have been loss-making for some time, and there are no other tax planning opportunities or other convincing evidence of recoverability in the near future.

At initial recognition, a temporary difference of TEUR 24,277 (2020: TEUR 21,696) exists between the carrying amount of investment property and its tax base, for which no deferred taxation has been provided.

This temporary difference resulted from acquisition of single asset entities that own investment property which were not considered to constitute a business.

16. Other current liabilities

	As at December 31, 2021 TEUR	As at December 31, 2020 TEUR
Interest on bank loan	1,149	658
Accrued interest	119	171
Accrued expenses	660	377
Advance received	624	878
Income tax liabilities	879	1,234
VAT payable	273	433
Other liabilities	3,875	4,730
Total	**7,579**	**8,481**

Other Liabilities are mainly composed of accrued capital expenditures.

17. Trade payables

Trade payables mainly include payable amounts relating to acquisition transaction costs and amounts payable to third parties related to development costs, capital expenditure and utilities.

18. Net assets attributable to Unitholders

Investors in the Group hold units (the "Units"). Except for persons engaged in the management of the Group, only "well-informed investors" may invest in the Units.

The subscription price for each Class A Unit will be EUR 1 and up to EUR 425 million Class A Units may be issued.

Investors hold investor Units in the Group ("Class A Units") in return for advancing their Commitments to the Fund in accordance with the Management Regulations. Class A Units may be issued in separate sub-classes but all A Units will entitle the relevant Unitholders to receive the distributions to the extent that the Group has funds available for distribution and otherwise subject to the terms of the Management Regulations.

The Carried Interest Partners will be issued with carried interest units in the Fund ("Class B Units") which may be issued in separate sub-classes but which will entitle the Unitholders, to the extent that the Fund has funds available for distribution and otherwise subject to the terms of the Management Regulations disclosing the criteria, to receive distributions of Carried Interest made by the Fund. Up to 10,000 Class B Units will be issued, each with a nominal value of EUR 1. Accordingly, the maximum aggregate nominal value for all such Units will be EUR 10,000.

Class A Units and Class B Units are together referred to herein as "Units". All Units will be issued in registered form and fully paid-up.

	December 31, 2021		*December 31, 2020*	
in TEUR	**Commitment**	**NAV**	**Commitment**	**NAV**
Class A units	425,000,000	455,813	425,000,000	375,459
Class B units	10,000	35,675	10,000	22,164
	425,010,000	**491,488**	**425,010,000**	**397,623**

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After the Group have fulfilled its obligation in regard to its liability (as the AIFM may reasonably determine), the Group can distribute to Unitholders pro-rata to each subject to the following order of priority:

(i) to the Investor in repayment of its Capital Contributions which have been drawn down and which remain outstanding;
(ii) to the Investor until it has received the Preferred Return;
(iii) as to 50 per cent. to such Investor, and as to 50 per cent. to the Carried Interest Partners until the Carried Interest Partners have, in aggregate, received in respect of such Investor 20 per cent. of the aggregate amount of distributions made under paragraph (ii) and this paragraph (iii); and
(iv) thereafter as to 80 per cent. to the Investor and 20 per cent. to the Carried Interest Partners.

As at December 31, 2021, the Units outstanding are:
- 308,001,568 Class A Unit (2020: 289,641,467 Class A Unit);
- 10,000 Class B Unit (2020: 10,000 Class B Unit).

As at December 31, 2021, the Net assets value per unit is:
- EUR 1.4799 per Class A Unit (December 31, 2020: EUR 1.2963).
- EUR 3,567.54 per Class B Unit (December 31, 2020: EUR 2,216,41).

The additional drawdowns made by the Group during the year were as follows:

- A total amount of EUR 1,886,559 on April 23, 2021.
- A total amount of EUR 2,700,000 on May 19, 2021.
- A total amount of EUR 5,250,000 on June 24, 2021.
- A total amount of EUR 1,890,569 on September 10, 2021.
- A total amount of EUR 4,870,000 on September 28, 2021.
- A total amount of EUR 9,540,000 on November 11, 2021.
- A total amount of EUR 2,550,000 on December 17, 2021.

During the year 2021 a total amount of TEUR 10,327 (2020: TEUR 63,365) was distributed to investors. For the year 2021 the total amount consists of return of capital.

19. Rental income

The composition is as follows:

	For the year ended 2021 TEUR	For the year ended 2020 TEUR
Rental income residential	12,124	9,771
Rental income office	3,848	6,646
Rental income other premises	3,039	2,350
Rental income retail	1,434	2,445
Rental income storage	1,078	732
Rental income industrial	1,057	850
Maintenance rents	741	569
Rental income parking	420	615
Rental income restaurant	192	200
Other turnover rents	37	58
Total Rental income	**23,970**	**24,236**

The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:

	As at December 31, 2021 TEUR	As at December 31, 2020 TEUR
Not later than 1 year	17,115	14,764
Later than 1 year and not later than 5 years	43,176	42,176
Over 5 years	17,997	86,831
Total	**78,288**	**143,771**

20. Property operating expenses

Details of the operating expenses are as follows:

	For the year ended 2021 TEUR	For the year ended 2020 TEUR
Maintenance	2,773	1,353
Property tax	1,550	1,506
Asset / property management fee to third parties	1,299	1,228
Heating	746	518
Other expenses	726	651
Electricity and gas	644	515
Yard work	625	781
Water and waste water	297	267
Letting fees	293	543
Insurance (property full value insurance)	280	339
Waste management	237	220
Other property expenses	569	504
Total	**10,039**	**8,425**

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21. Administrative and other expenses

Administrative and other operting expenses are composed of expenses relating to the Group and expenses, relating to the properties.

	For the year ended 2021 TEUR	For the year ended 2020 TEUR
Management fee expense	3,740	3,704
Other administration expenses	2,073	2,423
Advisory services	2,266	2,184
Marketing expenses	384	294
Administrator's fee	361	553
Audit	177	194
Custodian	95	95
VAT expense	45	90
Legal	18	398
Bad debt provision	(33)	23
Total	**9,126**	**9,958**

22. Finance income and costs

Details of the finance income and costs are as follows:

	For the year ended 2021 TEUR	For the year ended 2020 TEUR
Foreign exchange gain	-	2,266
Fair value gains from derivatives	2,264	922
Fair value gain from loan at FVTPL (Note11)	8,499	5,441
Other financial income	-	27
Finance income	**10,763**	**8,656**
Interest expense on bank borrowings	(5,823)	(5,822)
Amortization of loan transaction costs	(1,023)	(1,212)
Interests on derivative financial instruments	(1,020)	(838)
Interest expense on other liabilities	(253)	(250)
Fair value losses from derivative financial instruments	-	(2,641)
Foreign exchange losses	(67)	(883)
Loan arrangement fees	(83)	(264)
Other financial expenses	(141)	(372)
Finance costs	**(8,410)**	**(12,282)**

23. Related parties transactions

The Group's related parties correspond to the subsidiaries shareholders, investors and to the Manager of the Group (Refer to note 18 for the transactions with Group's Investors).

Non-controlling interest

	Net assets attributable to non-controlling interest TEUR
Net asset as at December 31, 2019	**3,876**
Proceeds from shares issued	(166)
Net result before distributions	(3,356)
Net asset as at December 31, 2020	**354**
Proceeds from shares issued	1,237
Net result before distributions	(117)
Other comprehensive gain	(5)
Net asset as at December 31, 2021	**1,469**

There were no dividends paid to Non-Controlling interest during the year. (2020: Nil)

Management fee

The Group pays an Asset Management fee to CapMan Real Estate Manager S.A. Asset Management fees are based on the committed equity, with a division based on drawn and undrawn equity, held by each party at a prescribed percentage over the financial year multiplied by the percentage of the equity held.

The management fees that were paid by the Group to the Management Company are further detailed in Note 21.

The Management Company is entitled to a management fee in relation of CapMan Nordic Real Estate II FCP-RAIF. The management fee is computed at the level of the Fund and depends on the commitment of each investor of the Fund.

For each of the periods specified below(including, for the avoidance of doubt, the balance of the Accounting Period in which the relevant date occurs), the Management Fee shall be:

(i) from the date date of formation until the fourth anniversary of such date:

(A) in respect of an Investor whose Commitment is less than EUR 50 million: (i) 1.5 per cent. per annum of such Investor's Share of the FCP Invested Capital; plus (ii) 1 per cent. per annum of such Investor's undrawn Commitment; and

(B) in respect of an Investor whose Commitment is at least EUR 50 million: (i) 1.25 per cent. per annum of such Investor's Share of the FCP Invested Capital; plus (ii) 0.75 per cent. per annum of such Investor's undrawn Commitment;

(ii) after the fourth anniversary of the date of formation

(A) in respect of an Investor whose Commitment is less than EUR 50 million, 1.5 per cent. per annum of such Investor's Share of the FCP Invested Capital; and

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(B) in respect of an Investor whose Commitment is at least EUR 50 million, 1.25 per cent. per annum of such Investor's Share of the FCP Invested Capital.

provided that the rates above shall be reduced by 25 basis points for those Investors who make their Commitment at the first closing or any other closing held prior to September 1, 2017 (the "First Closing Reduction")

Carried interest

There is no carried interest paid or accrued for the year 2021 (2020: Nil) as no required IRR rate has been met (refer to Note 18).

No emoluments were paid to administrative and supervisory bodies during the year ended December 31, 2021 (2020: Nil).

24. List of consolidated entities

Entities included in the scope of consolidation are disclosed in the tables below.

			As at December 31, 2021		As at December 31, 2020	
Name	**Country**	**Consolidation method**	**Percentage of *control***	**Percentage of *interest***	**Percentage of *control***	**Percentage of *interest***
CapMan Nordic Real Estate II FCP-RAIF	Luxembourg	Parent	-	-	-	-
CMNRE II Investments S.à r.l.	Luxembourg	Full integration	100.0%	100.0%	100.0%	100.0%
Headmasters Office GP Oy	Finland	Full integration	100.0%	100.0%	100.0%	100.0%
City Pearls GP Oy	Finland	Full integration	100.0%	100.0%	100.0%	100.0%
Goose portfolio:						
CMNRE II Goose HoldCo Aps	Denmark	Full integration	90.0%	99.0%	90.0%	99.0%
CMNRE II Goose PropCo ApS	Denmark	Full integration	100.0%	99.0%	100.0%	99.0%
CMNRE II KG3 PropCo ApS	Denmark	Full integration	100.0%	99.0%	100.0%	99.0%
LI Colbjørnsensgade 2-4 A/S	Denmark	Full integration	100.0%	99.0%	100.0%	99.0%
CMNRE II FRBG52 PropCo ApS	Denmark	Full integration	100.0%	99.0%	100.0%	99.0%
Lille:						
CMNRE2 LG5 HoldCo AS	Norway	Full integration	100.0%	100.0%	100.0%	100.0%
Lille Grensen 5 Holding AS	Norway	Full integration	100.0%	100.0%	100.0%	100.0%
Lybeck:						
Gärdet HoldCo II AB	Sweden	Full integration	100.0%	100.0%	100.0%	100.0%
Fastighets AB Lybeck	Sweden	Full integration	100.0%	100.0%	100.0%	100.0%
Lock:						
CMNRE2 Vintergatan AB	Sweden	Full integration	100.0%	100.0%	100.0%	100.0%
Anna:						
Headmasters Office Ky	Finland	Full integration	100.0%	100.0%	100.0%	100.0%
Kiinteistöosakeyhtiö Kansakoulukatu 3	Finland	Full integration	100.0%	100.0%	100.0%	100.0%
Multipurpose Warehouse:						
Suomen Monitoimitilat Ky	Finland	Equity method	95.94%	95.94%	95.94%	95.94%
Kiinteistö Oy Satukukanpolku 5	Finland	Equity method	100.00%	95.94%	100.00%	95 94%
Suomen Monitoimitilat GP Oy	Finland	Equity method	100.00%	95.94%	100.00%	95.94%
Kiinteistö Oy Monitoimitilat Friisinmäentie 5	Finland	Equity method	100.00%	95.94%	100.00%	95.94%
Kiinteistö Oy Monitoimitilat Majavantie 10	Finland	Equity method	100.00%	95.94%	100.00%	95.94%
Kiinteistö Oy Pirkkalan Jasperintie 270C	Finland	Equity method	100.00%	95.94%	100.00%	95.94%
Harley:						
GKL HoldCo	Denmark	Full integration	100.00%	100.00%	100.00%	100.00%
GK Landevej 84 PropCo ApS	Denmark	Full integration	100.00%	100.00%	100.00%	100.00%
Brynet Option:						
Risskov Brynet V K/S	Denmark	Full integration	100.00%	100.00%	100.00%	100.00%
Risskov Brynet Parkering C	Denmark	Full integration	100.00%	100.00%	100.00%	100.00%
Brynet VI K/S	Denmark	Full integration	100.00%	100.00%	100.00%	100.00%
Stork Portfolio:						
Stork Ejendomme ApS	Denmark	Full integration	98.00%	98.00%	98 00%	98.00%
Stork Aarhus A/S	Denmark	Full integration	100.00%	98.00%	100.00%	98.00%
Stork Viby A/S	Denmark	Full integration	100.00%	98.00%	100.00%	98.00%
Koebmagergade 42:						
CMNRE II Koebmagergade 42 Holding ApS	Denmark	Full integration	100.00%	100.00%	100.00%	100.00%
Koebmagergade 42 ApS	Denmark	Full integration	100.00%	100.00%	100.00%	100.00%
Bryns Alléen 2:						
CMNRE II Bryns Alléen 2 HoldCo AS	Norway	Full integration	100.00%	100.00%	100.00%	100.00%
CMNRE II Bryns Alléen 2 PropCo AS	Norway	Full integration	100.00%	100.00%	100.00%	100.00%
Ringroad Fortress:						
Ringroad Fortress Ky	Finland	Full integration	100.00%	100.00%	100.00%	100.00%
Koy Polaristontti 7	Finland	Full integration	100.00%	100.00%	100.00%	100.00%
Singeln:						
CMNRE HoldCo Singeln AB	Sweden	Full integration	100.00%	100.00%	100.00%	100.00%
Vinstakrossen AB	Sweden	Full integration	100.00%	100.00%	100.00%	100.00%

As at December 2021, the assets and liabilities related to the groups companies Lille and Lybeck were classified as held for sale (see Note 9).

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25. Contingencies and commitment

Pledges of Group shares

All the shares owned in by the Group in the entities mentioned in the table below have been pledge as a first ranking security in favour of all financial instituitions detailed on Note 13 (acting as security agents) pursuant to the share pledge agreements made between CapMan Nordic Real Estate II FCP-RAIF as pledgor and respective financial institutions as pledgee.

The shares in the following entities have been pledged as collaterals on loans from financial institutions:

Fastighets AB Lybeck
CMNRE2 Vintergatan AB
Lille Grensen 5 Holding AS
Koy Satukukanpolku 5
Koy Monitoimitilat Majavantie 10
Koy Monitoimitilat Friisinmäentie 5
Koy Pirkkalan Jasperintie 270 C
Koy Helsingin Holkkitie 8B
Koy Polaristontti 5
Koy Polaristontti 7
Kiinteistöosakeyhtiö Kansakoulukatu 3
CMNRE II Goose HoldCo ApS.
CMNRE II Goose PropCo Aps
CMNRE II KG3 PropCo Aps
CMNRE II FRBG52 PropCo Aps
Ll.Colbjørnsensgade 2-4 A/S
CMNRE II SG90 PropCo A/S
CMNRE II FV181 PropCo ApS
Stork Ejendomme Aps
Stork Aarhus A/S
Stork Viby A/S
Brynet Option Holding A/S
Risskov Brynet V K/S
Risskov Brynet VI K/S
Risskov Brynet Parkering C K/S
Brynsalleen 2 AS
Kobmagergade 42 Holding Aps
Kobmagergade 42 Aps
GKL 84 Aps
Red Warehouse PropCo Aps

Pledged shareholder loans

All the shareholder loans and other receivables from the below companies have been pledged in favor of all financial instituitions detailed on Note 13 pursuant to the share pledge agreements made between CapMan Nordic Real Estate II FCP-RAIF as pledgor and respective financial institutions as pledgee.

Gärdet HoldCo II AB
Lybeck AB
CMNRE2 Vintergatan AB
CMNRE2 LG5 HoldCo AS
Lille Grensen 5 Holding AS
Brynsalleen 2 AS
Koy Satukukanpolku 5
Koy Monitoimitilat Majavantie 10
Koy Monitoimitilat Friisinmäentie 5
Koy Pirkkalan Jasperintie 270 C
Koy Polaristontti 5
Koy Polaristontti 7
Ringroad Fortress Ky
Kiinteistöosakeyhtiö Kansakoulukatu 3
City Pearls Ky
Koy Pieni Robertinkatu 11
Koy Korkeavuorenkatu 30
Fastighets AB Norra Esplanaden 21
CMNRE II Goose HoldCo ApS
CMNRE II Goose PropCo Aps
CMNRE II KG3 PropCo Aps
CMNRE II FRBG52 PropCo Aps
Ll.Colbjørnsensgade 2-4 A/S
CMNRE II SG90 PropCo A/S
CMNRE II FV181 PropCo ApS
Stork Ejendomme Aps
Stork Aarhus A/S
Stork Viby A/S
Brynet Option Holding A/S
Risskov Brynet V K/S
Risskov Brynet VI K/S
Risskov Brynet Parkering C K/S
Kobmagergade 42 Holding Aps
Kobmagergade 42 Aps
GKL 84 Aps
Red Warehouse PropCo Aps

As at December 31, 2021 the Group had made investment commitments up to EUR 372.7 million (December 31, 2020: EUR 355.1 million). On balance sheet date EUR 331.7 million (December 31, 2020: EUR 299.2 million) of these commitments had been utilized and remaining commitments are EUR 41 million (December 31, 2020: 55.9 million). Capital repayment amounted to EUR 10.2 million (December 31, 2020: EUR 4.3 million).

26. Events after the date of the consolidated statement of financial position

The sale of office property Lybeck in Stockholm, Sweden that was signed in December 2021 closed in January 2022. Also, office property Lille Grensen 5 in Oslo, Norway was exited in February 2022. As result of the exits, the remaining equity commitments allocated to the investments were released.

On 24 February 2022, Russia began a full-scale invasion of Ukraine that is the largest conventional military attack on a sovereign state in Europe since World War II. In response, a large number of countries (including EU, the US and UK) began applying significant further sanctions on Russia with the aim of crippling the Russian economy. The conflict itself and the sanctions imposed in response is estimated to pose a substantial economic risk for the region and internationally. Based on preliminary portfolio analysis, the direct impact to Fund's investments is very limited, but the conflict, fluctuations in foreign exchange rates and commodity prices, and the potential to adversely impact global economies, has driven a sharp increase in volatility across markets. The Board of Managers regards these events for the Group as non-adjusting events after the reporting period.

Although neither the Group's performance and going concern nor operations, at the date of the approval of these consolidated financial statements, have been significantly impacted by the above, the Board of Managers continues to monitor the evolving situation and its impact on the financial position and operations of the Group.