20220713445 67

Årsredovisning

NSF 3 Sweden Holding 8 AB

Org.nr 559140-5880

Räkenskapsår 2021-01-01 - 2021-12-31

Fastställelseintyg

Undertecknad styrelseledamot i NSF 3 Sweden Holding 8 AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma 2022-06-30. Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

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

Stockholm 2022-06-30

Stefan Wallander

Fotokopians överensstämmelse
med originalet intygas:
Malin Attran
072 588 38 77

20220713445 68

Årsredovisning

NSF 3 Sweden Holding 8 AB

Org.nr 559140-5880

Räkenskapsår 2021-01-01 - 2021-12-31

20220713445 69

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

Styrelsen för NSF 3 Sweden Holding 8 AB avger följande årsredovisning.

Innehåll	Sida
Förvaltningsberättelse	2
Resultaträkning	3
Balansräkning	4
Noter	6

Styrelsens säte: Stockholm
Företagets redovisningsvaluta: Svenska kronor (SEK).
Alla belopp redovisas, om inget annat anges, i tusentals kronor (Tkr). Till följd av detta kan avrundningsdifferenser förekomma.

20220713445570

Förvaltningsberättelse

Verksamheten

Allmänt om verksamheten
Bolaget äger aktier i flera bolag.

Flerårsöversikt (Tkr)	**2021**	**2020**	**2019**	**2017/18** (13 mån)
Nettoomsättning	0	0	0	0
Resultat efter finansiella poster	4 646	3 993	7 586	-38
Soliditet (%)	11	10	9	88

För definitioner av nyckeltal, se Not 1 Redovisningsprinciper.

Förändring av eget kapital (Tkr)

	Aktiekapital	**Balanserat resultat**	**Årets resultat**	**Totalt**
Belopp vid årets ingång	50	27 586	3 994	**31 630**
Disposition enligt beslut av årets årsstämma:		3 994	-3 994	**0**
Årets resultat			4 646	**4 646**
Belopp vid årets utgång	**50**	**31 580**	**4 646**	**36 276**

Resultatdisposition
Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

balanserad vinst	31 579 597
årets vinst	4 645 929
	36 225 526
disponeras så att	
i ny räkning överföres	36 225 526
	36 225 526

Beträffande bolagets resultat och ställning i övrigt hänvisas till nedanstående resultat-och balansräkningar samt noter. Alla belopp uttrycks i tkr där ej annat anges.

20220713445731

Resultaträkning

Tkr

	Not	2021-01-01 -2021-12-31	2020-01-01 -2020-12-31
Rörelseintäkter, lagerförändringar m. m.			
Nettoomsättning		0	0
Summa rörelseintäkter, lagerförändringar m.m.		**0**	**0**
Rörelsekostnader			
Övriga externa kostnader		-174	-54
Summa rörelsekostnader		**-174**	**-54**
Rörelseresultat		**-174**	**-54**
Finansiella poster			
Övriga ränteintäkter och liknande resultatposter	3	18 020	16 803
Räntekostnader och liknande resultatposter	4	-13 200	-12 756
Summa finansiella poster		**4 820**	**4 047**
Resultat efter finansiella poster		**4 646**	**3 993**
Bokslutsdispositioner			
Erhållna koncernbidrag		9 058	10 404
Lämnade koncernbidrag		-9 058	-10 403
Summa bokslutsdispositioner		**0**	**1**
Resultat före skatt		**4 646**	**3 994**
Årets resultat		**4 646**	**3 994**

20220713445772

Balansräkning

Tkr

	Not	2021-12-31	2020-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Finansiella anläggningstillgångar			
Andelar i koncernföretag	5	114 989	91 650
Fordringar hos koncernföretag	6	219 036	215 296
Andra långfristiga fordringar	7	1 246	2 125
Summa finansiella anläggningstillgångar		**335 271**	**309 071**
Summa anläggningstillgångar		**335 271**	**309 071**
Omsättningstillgångar			
Kortfristiga fordringar			
Kundfordringar		178	0
Fordringar hos koncernföretag		147	10 802
Summa kortfristiga fordringar		**325**	**10 802**
Kassa och bank			
Kassa och bank		1 592	8 972
Summa kassa och bank		**1 592**	**8 972**
Summa omsättningstillgångar		**1 917**	**19 774**
SUMMA TILLGÅNGAR		**337 188**	**328 845**

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Balansräkning Tkr	**Not**	**2021-12-31**	**2020-12-31**
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital		50	50
Summa bundet eget kapital		**50**	**50**
Fritt eget kapital			
Balanserat resultat		31 580	27 586
Årets resultat		4 646	3 994
Summa fritt eget kapital		**36 226**	**31 580**
Summa eget kapital		**36 276**	**31 630**
Långfristiga skulder	8		
Övriga skulder till kreditinstitut		185 250	185 250
Skulder till koncernföretag		104 794	96 932
Summa långfristiga skulder		**290 044**	**282 182**
Kortfristiga skulder			
Leverantörsskulder		0	3
Skulder till koncernföretag		9 890	14 144
Upplupna kostnader och förutbetalda intäkter		978	886
Summa kortfristiga skulder		**10 868**	**15 033**
SUMMA EGET KAPITAL OCH SKULDER		**337 188**	**328 845**

20220713445574

Noter
Tkr

Not 1 Redovisningsprinciper

Allmänna redovisningsprinciper
Årsredovisningen är upprättad i enlighet med Årsredovisningslagen och BFNAR 2016:10, Årsredovisning i mindre företag (K2).

Ingen koncernredovisning upprättas med stöd av ÅRL 7 kap. 2 §.

Nyckeltalsdefinitioner
Nettoomsättning
Rörelsens huvudintäkter, fakturerade kostnader, sidointäkter samt intäktskorrigeringar.

Resultat efter finansiella poster
Resultat efter finansiella intäkter och kostnader men före bokslutsdispositioner och skatter.

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

Not 2 Medelantalet anställda
Bolaget har inte haft någon anställd personal under innevarande eller föregående år.

Not 3 Övriga ränteintäkter och liknande resultatposter

	2021	2020
Ränteintäkter från koncernföretag	18 020	16 803
	18 020	**16 803**

Not 4 Räntekostnader och liknande resultatposter

	2021	2020
Räntekostnader från koncernföretag	-7 862	-7 291
Övriga Räntekostnader	-5 336	-5 465
Kursdifferenser	-2	0
	-13 200	**-12 756**

20220713445375

Not 5 Andelar i koncernföretag

	2021-12-31	2020-12-31
Ingående anskaffningsvärden	91 650	90 773
Förvärv	0	7
Lämnade aktieägartillskott	23 338	870
Utgående ackumulerade anskaffningsvärden	**114 989**	**91 650**
Utgående redovisat värde	**114 989**	**91 650**

Not 6 Fordringar hos koncernföretag

	2021-12-31	2020-12-31
Ingående anskaffningsvärden	215 296	203 593
Tillkommande fordringar	3 740	11 703
Utgående ackumulerade anskaffningsvärden	**219 036**	**215 296**
Utgående redovisat värde	**219 036**	**215 296**

Not 7 Andra långfristiga fordringar

	2021-12-31	2020-12-31
Ingående anskaffningsvärden	2 125	0
Tillkommande fordringar	0	2 125
Avgående fordringar	-879	0
Utgående ackumulerade anskaffningsvärden	**1 246**	**2 125**
Utgående redovisat värde	**1 246**	**2 125**

20220713445 76

Not 8 Långfristiga skulder

	2021-12-31	2020-12-31
Skulder till Kreditinstitut	185 250	185 250
Skulder till Koncernbolag	104 794	96 932
	290 044	**282 182**

Not 9 Väsentliga händelser efter räkenskapsårets slut

Inga väsentliga händelser har inträffat efter räkenskapsårets slut.
Effekter av Covid-19 pandemin har inte haft, och förväntas inte ha, någon betydande påverkan på bolagets verksamhet och dess resultat.

Not 10 Uppgifter om moderföretag

Bolaget är ett helägt dotterbolag till NREP NSF III Holding 2 S.à.r.l., org nr 8220025, som har sitt säte i Luxemburg.

Moderföretag i den minsta koncern som bolaget ingår i där koncernredovisning upprättas är NREP Nordic Strategies Fund III LP, org nr B219884, med säte i Luxemburg.

20220713445777

Not 11 Ställda säkerheter

	2021-12-31	2020-12-31
Företagsinteckning	105 930	0
	105 930	**0**

Not 12 Eventualförpliktelser
Bolaget har inga eventualförpliktelser.

Stockholm 2022-06-30

Stefan Wallander
Ordförande

Rickard Dahlberg

Maria Sahlén

Min revisionsberättelse har lämnats 2022-06-30

Susanne Westman
Auktoriserad revisor

20220713445778

Revisionsberättelse

Till bolagsstämman i NSF 3 Sweden Holding 8 AB, org.nr 559140-5880

Rapport om årsredovisningen

Uttalanden

Jag har utfört en revision av årsredovisningen för NSF 3 Sweden Holding 8 AB för år 2021.

Enligt min uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av NSF 3 Sweden Holding 8 ABs finansiella ställning per den 31 december 2021 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Jag tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen för NSF 3 Sweden Holding 8 AB.

Grund för uttalanden

Jag har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Mitt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Jag är oberoende i förhållande till NSF 3 Sweden Holding 8 AB enligt god revisorssed i Sverige och har i övrigt fullgjort mitt yrkesetiska ansvar enligt dessa krav.

Jag anser att de revisionsbevis jag har inhämtat är tillräckliga och ändamålsenliga som grund för mina 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 de 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. De 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

Mina mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller mina 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.

En ytterligare beskrivning av mitt ansvar för revisionen av årsredovisningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver min revision av årsredovisningen har jag även utfört en revision av styrelsens förvaltning för NSF 3 Sweden Holding 8 AB för år 2021 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

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

Grund för uttalanden

Jag har utfört revisionen enligt god revisionssed i Sverige. Mitt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Jag är oberoende i förhållande till NSF 3 Sweden Holding 8 AB enligt god revisorssed i Sverige och har i övrigt fullgjort mitt yrkesetiska ansvar enligt dessa krav.

Jag anser att de revisionsbevis jag har inhämtat är tillräckliga och ändamålsenliga som grund för mina 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

Mitt mål beträffande revisionen av förvaltningen, och därmed mitt 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
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Mitt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed mitt 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.

En ytterligare beskrivning av mitt ansvar för revisionen av förvaltningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Stockholm den 30/6 -2022

Susanne Westman
Auktoriserad revisor

202209305524

NREP

RCS number B219.884

NREP NORDIC STRATEGIES FUND III LIMITED PARTNERSHIP

(Société en commandite spéciale)

Consolidated Financial Statements
For the year ended December 31, 2021

16-18, Boulevard Royal
L-2449 Luxembourg

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NREP NORDIC STRATEGIES FUND III LIMITED PARTNERSHIP

Manager's Report

The Board of Managers of NREP Nordic Strategies Fund III GP S.à r.l. acting in its own name and on behalf of NREP Nordic Strategies Fund III Limited Partnership (the "Fund" or the "Group") hereby publish the Consolidated Financial Statements for the year ended December 31, 2021.

Group Business

The Fund began its operations in November 2017 and this is the Fund's fourth financial period. The strategy of the Fund is to pursue investments in Real Estate and to generate superior risk-adjusted returns for its investors. The main business consists of developing and investing in logistics, retail, residential and office properties in the Nordic countries.

Group Structure

NREP Nordic Strategies Fund III Limited Partnership is represented and managed on behalf of investors by Nordic Strategies Fund III GP S.à r.l. and is the sole investor in NREP Finnish Strategies Fund FCP-RAIF and the parent company to wholly owned, NREP NSF III Resiholding S.à r.l and NREP NSF III Holding 1 S.à r.l. and indirect owner of NREP NSF III Holding 2 S.à r.l. The majority of the Fund's investors consists of pension and life insurance companies from both Europe and the U.S.

NREP NSF III Holding 2 S.à r.l. owns shares in companies in Denmark, Finland, Norway and Sweden. These companies in turn own properties directly or indirectly through subsidiaries, partnerships and joint ventures.

NREP Finnish Strategies Fund FCP-RAIF owns shares in Finland. These companies in turn own properties directly or indirectly through subsidiaries, partnerships and joint ventures.

At year-end 2021, the Fund has invested in a total of 137 properties of which 96 are standing assets and 41 are development projects. The Fund has invested in 47 properties with Joint Venture partners all included in the total of 137 properties.

Group Accounting Policies

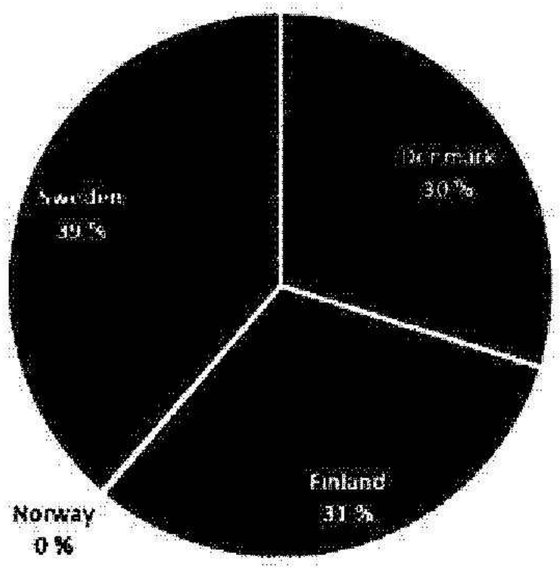
The Fund has applied International Financial Reporting Standards (IFRS) accounting principles as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union.

Financial Summary

During the year, the Fund has invested in properties for a total value of EUR 315.0m. No distributions were made by the Fund during the financial year. Comprehensive income attributed to the partners of the Fund amounted to EUR 183.1m and the net asset value amounted to EUR 958.2m at year-end.

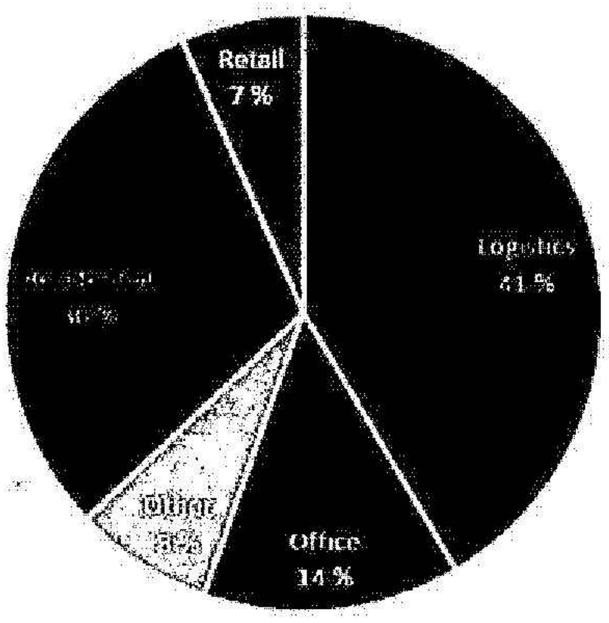
Portfolio Information

At year-end the geographical allocation of the Fund's investments is as follows.



The allocation percentage is based on the carrying value. Out of the Fund's 133 properties, 18 are located in Denmark, 93 in Finland, 21 in Sweden and 1 in Norway.

At year-end, the sector allocation of the Fund´s investment portfolio is as follows.



The allocation percentage is based on the carrying value. Residential assets also include care homes. Other assets include serviced living and student housing.

Outlook 2022

At the end of the Fund's fourth financial year it has committed 96% of its initial capital of EUR 903.7m. During 2022, the Fund's main focus will be managing the Fund's development projects and creating value for the standing assets by active asset management.

Forecast 2022

In 2022, the Fund's results are expected to be higher, mainly due to the completion of development assets during late 2021 and early 2022. Management considers that Covid-19 will not significantly impact the Fund's performance.

Significant Events after the Balance Sheet Date

After year-end, the Fund has completed a forward purchase asset in Sweden. The Fund has started restructuring of the Finnish portfolio in NREP Finnish Strategies Fund FCP-RAIF.

In the light of the invasion in Ukraine, the Fund does not currently hold any assets in Russia, Ukraine, or Belarus, and, therefore, there has been no immediate impact on the Funds' holdings or current performance.

However, the Fund management is constantly monitoring any additional factors and knock-on effects such as changes in the interest rates, inflation, or growth prospects, which may potentially adversely affect the outlook for and the performance of the underlying investments.

202209300527

NREP NORDIC STRATEGIES FUND III LIMITED PARTNERSHIP

Consolidated Financial Statements

CONSOLIDATED STATEMENT OF NET ASSETS

As at December 31, 2021

	Notes	2021 EUR ('000s)	2020 EUR ('000s)
ASSETS			
Non-Current Assets			
Investment Properties	11	1,829,057	1,246,250
Investment in Associates and Joint Ventures	5	58,036	54,951
Loans to Associates and Joint Ventures	16	62,553	46,833
Other Non-Current Assets		315	35
Derivative Financial Instruments	12	87	-
Total Non-Current Assets		**1,950,048**	**1,348,069**
Current Assets			
Cash and Cash Equivalents	4.3	112,448	53,210
Trade and Other Receivables	13	19,441	20,925
Inventory	11	7,373	5,595
Prepaid Expenses		2,997	3,867
Total Current Assets		**142,259**	**83,597**
Total Assets		**2,092,307**	**1,431,666**
LIABILITIES			
Non-Current Liabilities			
Borrowings	14	581,710	474,428
Lease Liabilities	11	17,615	32,490
Tenant Deposits		1,617	1,019
Derivative Financial Instruments	12	-	1,149
Deferred Tax Liabilities	10	110,221	64,467
Carried Interest	24	77,137	25,018
Other Non-Current Liabilities	21	7,812	13,158
Total Non-Current Liabilities		**796,112**	**611,729**
Current Liabilities			
Borrowings	14	242,948	153,830
Trade and Other Payables	15	32,515	37,820
Tenant deposits		1,396	1,362
Derivative Financial Instruments	-	-	20
Deferred Income		2,611	1,059
Current Income Tax Liabilities		8	-
Other Current Liabilities	20	55,977	9,577
Total Current Liabilities		**335,455**	**203,668**
Total Liabilities		**1,131,567**	**815,397**
Net Assets Attributable to Partners of the Fund		958,244	613,654
Net Assets Attributable to the Non-Controlling Interest		2,496	2,615
Total Net Assets		**960,740**	**616,269**
Total Net Assets and Liabilities		**2,092,307**	**1,431,666**

The notes on pages 11 to 66 form an integral part of these Consolidated Financial Statements

NREP NORDIC STRATEGIES FUND III LIMITED PARTNERSHIP

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2021

	Notes	Year ended December 31, 2021 EUR ('000s)	Year ended December 31, 2020 EUR ('000s)
Net Rental and Related Income	6	46,733	31,802
Direct Property Operating Expenses	7	(14,042)	(11,350)
Net Profit from Rental and Related Income		**32,691**	**20,452**
Other Expenses	8	(12,498)	(12,739)
Management Fees	18	(11,499)	(13,838)
Net Gain from Fair Value Adjustment on Investment Properties	11	282,560	181,427
Net Share of results on Investments in Associates and Joint Ventures	5	4,817	(3,408)
Net Realised Result from Disposal of Investment Properties	11	1,714	(35)
Carried interest expense	24	(52,119)	(20,055)
Other Operating Income and Expenses	22	7,982	274
Net Other Income and Expense		**220,957**	**131,626**
Operating Profit		**253,648**	**152,078**
Finance Income		5,589	10,162
Finance Expense		(18,922)	(12,902)
Net Finance (Expense)/Income	9	**(13,333)**	**(2,740)**
Profit Before Tax		**240,315**	**149,338**
Current Tax	10	(697)	(599)
Deferred Tax	10	(53,609)	(45,802)
Tax Expense		**(54,306)**	**(46,401)**
Profit/(Loss) for the Year		**186,009**	**102,937**
Other Comprehensive Income			
Exchange Differences Arising on Translation of Foreign Operations		(2,924)	4,250
Total Comprehensive Income/(Expense) for the Year		**183,085**	**107,187**
Profit Attributable to:			
- Partners of the Fund		187,518	98,213
- Non-Controlling Interest		(1,508)	4,724
Total Comprehensive Income Attributable to:			
- Partners of the Fund		184,594	102,463
- Non-Controlling Interest		(1,508)	4,724

The notes on pages 11 to 66 form an integral part of these Consolidated Financial Statements.

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NREP NORDIC STRATEGIES FUND III LIMITED PARTNERSHIP

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

For the year ended December 31, 2021

	Notes	Capital Contribution EUR ('000s)	Retained Earnings ('000s)	Foreign Currency Translation Adjustment EUR ('000s)	Total Net Assets Attributable to Partners of the Fund EUR ('000s)	Total Net Assets Attributable to Non-Controlling Interests EUR ('000s)	Total Net Assets EUR ('000s)
Balance as at December 31, 2019		**290,019**	**21,144**	**241**	**311,404**	**157**	**311,561**
Comprehensive Income							
Profit for the Year		-	98,213	-	98,213	4,724	102,937
Other Comprehensive Income for the Year		-	-	4,250	4,250	-	4,250
Total Comprehensive Income for the Year		**-**	**98,213**	**4,250**	**102,463**	**4,724**	**107,187**
Transactions with Owners							
Capital Contribution		200,000	-	-	200,000	-	200,000
Acquisition of non-controlling interest		-	-	-	-	(2,479)	(2,479)
Other		-	(213)	-	(213)	213	-
Balance as at December 31, 2020		**490,019**	**119,144**	**4,491**	**613,654**	**2,615**	**616,269**
Comprehensive Income							
Profit for the Year		-	187,518	-	187,518	(1,508)	186,010
Other Comprehensive Income for the Year		-	-	(2,924)	(2,924)	-	(2,924)
Total Comprehensive Income for the Year		**-**	**187,518**	**(2,924)**	**184,594**	**(1,509)**	**183,086**
Transactions with Owners							
Capital Contribution		160,000	-	-	160,000	-	160,000
Acquisition of non-controlling interest		-	(1,390)	-	(1,390)	1,390	-
Other		-	1,385	-	1,385		1,385
Balance as at December 31, 2021		**650,019**	**306,657**	**1,567**	**958,243**	**2,496**	**960,740**

The notes on pages 11 to 66 form an integral part of these Consolidated Financial Statements.

NREP NORDIC STRATEGIES FUND III LIMITED PARTNERSHIP

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2021

	Notes	Year ended December 31, 2021 EUR ('000s)	Year ended December 31, 2020 EUR ('000s)
Cash Flows from Operating Activities			
Profit before income tax		240,316	149,337
Adjustments for:			
Net (gain)/loss from fair value adjustment on investment property	11	(282,560)	(181,427)
Net (gain)/loss on realised result from disposal of investment property	11	(1,714)	35
Net (gain)/loss from share of results on investments in associates and joint ventures	5	(4,817)	3,409
Carried interest (recovery)/expense	24	52,119	20,055
Net financing expense	9	13,332	2,740
Cash flows from operating activities before change in working capital		**16,675**	**(5,851)**
Working capital adjustments			
Variation in trade and other receivables		1,988	(5,342)
Variation in inventories		(1,778)	4,443
Variation in trade and other payables		(17,155)	11,685
Variation in other liabilities		-	3,846
Cash generated from/(used) in operations		**(269)**	**8,781**
Income tax paid		(689)	(599)
Finance income received		1,637	1,726
Finance expense paid		(22,699)	(9,960)
Tenant deposits received		-	553
Net cash from/(used) in operating activities		**(22,021)**	**501**
Cash flows from investing activities			
Payment for investment property	11	(274,622)	(407,580)
Payments for investment in associates and joint ventures	5	1,732	(9,924)
Proceeds from disposal of investment properties	11		3,499
Loans to associates and joint ventures	16	(11,767)	(25,576)
Change in other non-current assets		-	-
Net cash from/(used) in investing activities		**(284,658)**	**(439,581)**
Cash flows from financing activities			
Proceeds from borrowings	14	312,319	413,269
Arrangement fee paid	14	2,521	(363)
Repayments of borrowings	14	(108,186)	(155,242)
Proceeds from capital contribution		160,000	200,000
Proceeds from other loans	22	-	-
Acquisition of non-controlling interest		(985)	(2,479)
Net cash generated from financing activities		**365,670**	**455,185**
Net increase in cash and cash equivalents		58,991	16,105
Cash and cash equivalents at the beginning of the year		53,210	34,112
Exchange gains (losses) on cash and cash equivalents		247	2,993
Cash and cash equivalents at the end of the year		**112,448**	**53,210**

The notes on pages 11 to 65 form an integral part of these Consolidated Financial Statements

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NREP NORDIC STRATEGIES FUND III LIMITED PARTNERSHIP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

1. General Information

NREP Nordic Strategies Fund III Limited Partnership ("the Fund") was established as a Luxembourg special limited partnership ("société en commandite spéciale" or S.C.Sp.) on November 28, 2017 by NREP Nordic Strategies Fund III GP S.à r.l. ("the Management Company" or "the Manager" or "the General Partner") and NREP NSF III Investment S.à r.l. ("the Carry Co-invest Partner"), and the limited partners (collectively "the Partners"). The Fund is subject to the Law of 10 August 1915 on commercial companies. The Fund shall terminate at the latest by the eighth anniversary of the First Closing, with the possibility of two additional extensions of one year. The Fund and its subsidiaries (together "the Fund" or the "Group") will invest primarily in a portfolio of investment properties in the Nordics.

The registered office of the Partnership is 16-18, Boulevard Royal, L-2449 Luxembourg. The General Partner is responsible for the management, operation and administration of the affairs of the Partnership. The General Partner has delegated most of the day-to-day investment activities to NREP AB ("the AIFM"). This includes but is not limited to the initial assessment of potential investment acquisitions and exits; the day-to-day monitoring and interaction with the investment portfolio; creation of the fair value recommendations and certain investor relation activities of the Partnership. Whilst this delegation exists, the General Partner remains responsible for approving any actions taken as a result of these activities.

The investment objective of the Fund is to pursue investments in real estate, either through equity or debt instruments in Denmark, Finland, Norway and Sweden ("the Nordic Region") with the intention of delivering strong risk-adjusted returns. The Fund intends to focus primarily on suburban areas around all capital cities as well as the main regional cities. The Fund aims to target attractive locations in supply-constrained areas in order to maintain high occupancy levels and the ability to increase rental income over time.

The Fund's financial year starts on January 1 and ends on December 31.

These Consolidated Financial Statements were approved for issue by the General Partner on May 12, 2022.

All amounts are shown in EUR ('000).

2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these Consolidated Financial Statements are set out below. These policies have been consistently applied to all years presented by Group entities, unless otherwise stated.

2.1 Basis of Preparation

Statement of Compliance

The Consolidated Financial Statements of the Fund have been prepared in accordance with International Financial Reporting Standards as endorsed by the European Union ("IFRS").

Comprehensive Income and Cash Flow Statement

The Fund has elected to present a single statement of comprehensive income and presents its expenses by nature.

The Fund reports cash flows from operating activities using the indirect method. Both interest received and interest paid in relation to borrowings and derivatives are presented within Operating cash flows. The acquisitions and disposals of investment properties are disclosed as cash flows from investing activities because this most appropriately reflects the Fund's business activities.

Preparation of the Consolidated Financial Statements
The Consolidated Financial Statements have been prepared on a going concern basis, applying a historical cost convention, except the measurement of derivative financial instruments and investment properties that have been measured at fair value.

The preparation of consolidated financial instruments in conformity with IFRS requires the use of accounting estimates. It also requires the Board of Managers of the General Partner of the Fund to exercise its judgment in the process of applying Fund's accounting policies. Changes in assumptions may have a significant impact on the consolidated financial statements in the year the assumptions changed. Management believes that the underlying assumptions are appropriate.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 3.

Going concern basis of accounting

The outbreak of the Covid-19 pandemic and the measures adopted by governments in countries worldwide to mitigate the pandemic's spread have had a very limited impact on the Fund. Management considers that Covid-19 has not significantly impacted the Fund's performance and are continually monitoring closely any potential future impact

New and amended standards adopted by the Fund

The Fund adopted the following standards and amendments which have entered into force beginning on 1 January 2021:

A. Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

The amendments provide temporary relief which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

1. A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
2. Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
3. Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the consolidated financial statements of the Fund. The Fund intends to use the practical expedients in future periods if they become applicable.

B. Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments to IFRS 16)

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases

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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 Fund has not received Covid-19-related rent concessions but plans to apply the practical expedient if it becomes applicable within allowed period of application.

Standards issued but not yet adopted

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Fund's annual report are disclosed below. The Fund intends to adopt these standards, if applicable, when they become effective.

A. IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Fund.

B. 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. The Fund is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

C. Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments add 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 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

At the same time, the amendments add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

The amendments must be applied prospectively beginning on 1 January 2022. Earlier application is permitted if, at the same time or earlier, an entity also applies all of the amendments contained in the Amendments to References to the Conceptual Framework in IFRS Standards (March 2018).

D. Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have a material impact on the Fund.

E. Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)

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. The Fund will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

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F. Fees in the '10 per cent' test for derecognition of financial liabilities (IFRS 9 Financial instruments)

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. 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 Fund 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 Fund.

G. 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.

The amendments are not expected to have a material impact on the Fund.

H. Disclosure of Accounting Policies (Amendments to IAS1 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.

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.

The Fund is currently assessing the impact of the amendments to determine the impact they will have on the Fund's accounting policy disclosures.

2.2 Consolidation

The Consolidated Financial Statements include the accounts of the Fund and all subsidiaries controlled by the Fund. Control is assumed when the Fund is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Fund. They are deconsolidated from the date that control ceases. In assessing control, potential voting rights that are substantive, are taken into account.

The results of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date the control ceases.

All the Fund subsidiaries 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 Fund. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Unrealised losses on transactions between Fund subsidiaries are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Changes in the Fund's Ownership Interests in Existing Subsidiaries
Changes in the Fund's ownership interests in subsidiaries that do not result in the Fund losing control over the subsidiaries are accounted for as equity transactions, that is, as transactions with the owners in their capacity as owners. The carrying amounts of the Fund's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of any consideration paid or received is recognized directly in equity and attributed to owners of the Fund.

When the Fund loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets, and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Fund had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss, or transferred to another category of equity as specified/permitted by the applicable IFRS.)

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Fund and are presented separately in the Consolidated Statement of Comprehensive Income and in the Consolidated Statement of Net Assets.

Accounting for asset acquisitions
For the acquisition of a subsidiary not meeting the definition of a business, the Fund allocates the cost between the individual identifiable assets and liabilities based on their relative fair values at the date of acquisition. Such transactions or events do not give rise to goodwill.

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2.3 Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Fund
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Fund recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the;

- consideration transferred
- amount of non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

2.4 Foreign Currency Translation

(a) Functional and Presentation Currency

The Fund's investors are mainly from the Euro zone, with the subscriptions and redemptions of the units denominated in Euro. The performance of the Fund is measured and reported to the investors in Euro. The General Partner considers the Euro as the currency that represents the economic effects of the underlying transactions, events and conditions of the parent company. Items included in the financial statements of each of the Fund'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 Euro (EUR) which is the parent company's functional and presentation currency. The functional currency of the Fund is the Euro; the functional currencies of

the Fund's subsidiaries are Euro (EUR), Norwegian Krone (NOK), Danish Krone (DKK) and Swedish Krona (SEK).

(b) Transactions and Balances

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

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

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Fund's net investment in a foreign operation. These are recognised in Other comprehensive income (OCI) until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

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

(c) Fund Subsidiaries

The results and financial position of all fund subsidiaries that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing rate at the date of that financial position;

(ii) income and expenses are translated at the monthly 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);

(iii) all resulting exchange differences are recognized in and accumulated within other comprehensive income.

Fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

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Foreign currency balances and transactions have been measured with the use of the following closing and weighted average foreign exchange rates as at December 31, 2021:

	Closing Rate		Weighted Average Rate	
	December 31, 2021	December 31, 2020	2021	2020
Danish Krone	7.4364	7.4409	7.4370	7.4542
Norwegian Krone	9.9888	10.4703	10.1633	10,7228
Swedish Krona	10.2503	10.0343	10.1465	10.4848

2.5 Investment Properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the Fund, is classified as investment property.

Investment properties are recognized when it is probable that the future economic benefits that are associated with the investment property will flow to the entity and the cost of the investment property can be measured reliably. Future purchase transactions are recognized when the risk and rewards of the Investment property have been transferred. Investment properties are initially recognized at cost, including related transaction costs and where applicable borrowing costs (see Note 2.11). After initial recognition, investment properties are carried at fair value.

Investment property under construction is measured at fair value less estimated cost to complete if the fair value is considered to be reliably determinable. Investment properties under construction for which the fair value cannot be determined reliably, are measured at cost less impairment until the fair value becomes reliably determinable. The cost of properties in the course of development includes attributable interest and other associated expenses. Interest is calculated on the development expenditure by reference to a specific borrowing where relevant. Interest is not capitalized where no development activity is taking place. A property ceases to be treated as development property on completion.

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. Fair value is based on active market prices, adjusted, if necessary, for differences in the nature, location or condition of the specific asset. If this information is not available, the Fund uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are performed as of the financial position date by professional valuers who hold recognized and relevant professional qualifications and have recent experience in the location and category of the investment property being valued.

These valuations form the basis for the carrying amounts in the Consolidated Financial Statements. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value. It may sometimes be difficult to determine reliably the fair value of the investment property under construction. In order to evaluate whether the fair value of an investment property under construction can be determined reliably, management considers the following factors, among others:

- The provisions of the construction contract.
- The stage of completion.
- Whether the project/property is standard (typical for the market) or non-standard.

- The level of reliability of cash inflows after completion.
- The development risk specific to the property.
- Past experience with similar constructions.
- Status of construction permits.

The fair value of investment property reflects, among other things, rental income from current leases and other assumptions market participants would make when pricing the property under current market conditions. Changes in fair values are recognized in the Consolidated Statement of Comprehensive Income.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Fund and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced. the carrying amount of the replaced part is derecognized.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Consolidated Statement of Comprehensive Income in the year in which the property is derecognized.

In the process of sale of properties. the General Partner considers the requirements in IFRS 5, hereunder whether an expected sale fulfils the criteria to be classified as Assets held for sale and Discontinued operations. Investment properties and investments in associates and joint ventures

are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. Interest and other expenses attributable to the liabilities of investment properties and investments in associates and joint ventures classified as held for sale continue to be recognised. During 2021, the General Partner has assessed and concluded that the criteria for asset held for sale is not fulfilled for any entity.

2.6 Investments in Associates and Joint Ventures

Investments in associates, in which the Fund has the ability to exercise significant influence, and investments in joint ventures, in which the Fund exercises joint control and has rights to the net assets of the arrangement, are accounted for under the equity method. The investment is carried at the cost at the date of acquisition, adjusted for the Fund's equity in undistributed earnings or losses since acquisition, less dividends received, and any impairment incurred.

Any excess of the cost of the acquisition over the Fund's share of the net fair value of the identifiable assets, liabilities, and contingent liabilities of the associate or joint venture recognized at the date of acquisition is considered as goodwill, if the underlying activities meet the definition of a business. The goodwill is included in the carrying amount of the investment and is evaluated for impairment as part of the investment.

The Fund reviews all of its investments in associates and joint ventures at each reporting date to determine whether there is an indicator that the investment may be impaired. If objective evidence indicates that the investment is impaired, the Fund calculates the amount of the impairment of the investment as being the difference between the higher of the fair value less costs to sell or its value in

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use and its carrying value. The amount of any impairment is included in income (loss) from associates, joint ventures and other investments in the Consolidated Statement of Comprehensive Income.

2.7 Leases

The Fund acting as a Lessor
All leases where the Fund is the Lessor are classified as operating leases. Properties leased out under operating leases are included in investment property in the Consolidated Statement of Financial Position. See Note 2.13 for the recognition of rental income.

Certain tenants provide deposits as a guarantee for returning the property at the end of the lease term in a specified condition or for the lease payments for a period ranging from 1 to 24 months. Such deposits are treated as financial liabilities in accordance with IFRS 9, and they are initially recognized at fair value. The difference between fair value and cash received is considered to be part of the minimum lease payments received for the operating lease (refer to Note 2.13 for the recognition of rental income). The deposit is subsequently measured at amortized cost.

Lease receivables where the Fund act as Lessor, are included in Trade receivables.

The Fund acting as a Lessee
For leases of property, plant and equipment the Fund recognises a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Fund, except for short-term leases and low-value leases. Assets and liabilities arising from a lease are initially measured on a present value basis.

Non-lease components are not included in the lease payments.

The right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, an incremental borrowing rate is used based on similar observable amortising loan rate to the individual lessee (through recent financing or market data) or an interest rate based on financing of similar assets adjusted to the specific lease for e.g. term, country, currency, security, etc.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

2.8 Financial Instruments

Financial assets
The Fund classifies its financial assets in the following measurement categories:

- those to be measured at fair value subsequently; and
- those to be measured at amortized cost.

The Fund determines the classification at initial recognition, which depends on the Fund's business model for managing the financial assets and the contractual terms of the cash flows. Financial assets are recognised on the trade date. Financial assets are derecognised when the rights to receive the cash flows have expired or transferred and the Fund has transferred substantially all the risk and rewards of ownership.

At initial recognition, the Fund measures a financial asset at its fair value plus, in the case of a financial asset not measured at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent measurement of debt instruments depends on the Fund's business model for managing the asset and the characteristics of the underlying cash flows. The Fund classifies its investments in debt instruments into two categories based on the following:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in the Finance Income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the consolidated statement of comprehensive income. Impairment losses are presented in the consolidated statement of comprehensive income.

- The Fund's financial assets measured at amortized costs include cash and cash equivalents, trade and other receivables and those loans to joint ventures that meet the solely payment of principal and interest criteria.

- FVPL: Loans to joint ventures that do not meet the criteria for being measured at amortized cost are measured at fair value through profit or loss. Gains or losses are recognised in profit or loss in the period in which the gain or loss arises. No loans to joint ventures qualify to be measured to FVPL at year-end.

Impairment
For investments in debt instruments that are measured at amortized cost, the Fund assesses on a forward-looking basis the expected credit loss.

For loans to joint ventures measured at amortised cost the impairment methodology applied depends on whether there has been a significant increase in credit risk. When there has not been a significant increase in credit risk since initial recognition, the loss allowance is measured at an amount equal to the 12-month expected credit losses at each reporting date. If the credit risk of the financial asset has increased significantly since initial recognition, the loss allowance corresponds to the lifetime expected credit loss. The Fund evaluates whether the credit risk has increased significantly using external valuation of the underlying projects combined with updated project budgets.

For trade and other receivables, the Fund applies the simplified approach, according to which expected lifetime losses are required to be recognised at initial recognition. The expected lifetime losses are based on provision matrix that considers historical credit loss experience, adjusted for forward-looking factors to the debtors and economic environment, such as tenant base. Refer to Note 13 for further details.

Trade and other receivables are written off when they are assessed as uncollectible.

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Financial liabilities
The Fund recognises a financial liability when it first becomes a party to the contractual rights and obligations In the contract. A financial liability is derecognised when the obligation under the liability is discharges or cancelled or expires.

All borrowings are initially recognised at fair value less directly attributable transaction costs. After initial recognition, interest bearing borrowings are subsequently measured at amortized cost using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Financial liabilities included in trade and other payables, tenant deposits and other liabilities are recognised initially at fair value and subsequently measured at amortized cost. The fair value of a non-interest-bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted.

Financial liabilities further include accrued carried interest.

Derivatives
The Fund uses interest rate swaps to hedge its exposure to variability in the interest rate from borrowings issued with floating interest (economic hedging). The Fund does not apply hedge accounting in accordance with IFRS 9.

Derivative financial assets and liabilities are classified as financial assets or liabilities at fair value through profit or loss. Recognition of the derivative financial instruments takes place when the economic hedging contracts are entered into. They are measured initially and subsequently at fair value. Transaction costs are included in finance costs. Gains and losses on derivatives are recognised in the income statement as finance costs.

Derecognition
Financial assets are derecognized when the rights to receive cash flows from the financial asset have expired or the Fund has transferred substantially all risks and rewards of ownership to another party. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in the Consolidated Statement of Comprehensive Income.

2.9 Cash and Cash Equivalents

Cash and cash equivalent includes cash in hand, call deposits with original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts that are repayable on demand and form an integral part of the Fund's cash management are included as a component of cash and cash equivalents.

Cash and cash equivalents are accounted at their nominal value.

Restricted cash are deposits for financing or guarantees in real estate transactions within the normal course of business not available for general use by the entities within the fund. Restricted cash is recognized within cash and cash equivalents.

2.10 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Credit facilities and mortgages contracted at a variable interest rate are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized as finance cost (Note 2.16) over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Fund has an unconditional right to defer settlement of the liability for at least 12 months after the date of the statement of financial position.

2.11 Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time (normally more than 1 year) to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets is substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognized in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

The Fund capitalises borrowing costs on qualifying investment properties.

2.12 Taxation

The tax recognized in the Consolidated Statement of Comprehensive Income for the year comprises current tax expense and deferred tax income. Tax is recognized in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognized directly in other comprehensive income - in which case, the tax is also recognized in other comprehensive income or equity.

Current income tax
The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of the Consolidated Statement of Net Assets in the countries where the Fund

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companies operate. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income 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. However, deferred income tax is not accounted for if it 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 nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of the Consolidated Statement of Net Assets 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 recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

The carrying value of the Fund'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 Net Assets regardless of whether the Fund 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 Fund 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.

2.13 Revenue Recognition

Revenue includes rental income from operating leases, service charges and management charges on properties.

Rental income from operating leases is recognized on a straight-line basis over the entire lease term. Where such rental income is recognized ahead of the related cash flow, an adjustment is made to ensure the carrying value of the related property including the accrued rent does not exceed the external valuation. Initial material direct costs incurred in negotiating and arranging a new lease are amortized on a straight-line basis over the period from the date of lease commencement to the earliest termination date.

Where a lease incentive payment, including surrender premium paid, does not enhance the value of a property, it is amortized on a straight-line basis over the period from the date of lease commencement to the earliest termination date. Upon receipt of a surrender premium for the early

termination of a lease, the profit, net of dilapidations and non-recoverable outgoings in relation to the lease concerned, is immediately reflected in income.

Service and management charges and other property income are recognized in the accounting year in which the services are passed on to the customers, which is when the services are rendered. Where the contracts include multiple elements of services and/or lease and non-lease components, the transaction price will be allocated to each performance obligation (lease and non-lease component) based on the relative stand-alone selling prices.

Where another party is involved in providing the services to the customer, the Fund assess on a contract by contract basis, whether the Fund is acting as a principle or as an agent. The Fund is acting as a principal when the nature of its promise is a performance obligation to provide the specified services itself, whereas the Fund is acting as an agent when it is arranging for the services to be provided by the other party. When the Fund obtains control over the specified service before it is transferred to the customer, it is a principal and thus recognizes revenue on a gross basis. When the Fund is acting as an agent. the commission rather than the gross income is recognised as revenue.

2.14 Carried interest expense/recovery

In accordance with the Limited Partnership Agreement ("LPA"), NREP A/S together with its Associates ("the Sponsor Group") are entitled to receive a share of the income of the Fund that differs from the proportional ownership.

The carried interest from the Fund is calculated annually at the reporting date, taking into account the required performance conditions and distribution agreements of the Fund as a whole. The change in carried interest during the year is included as 'Carried interest(expense)/recovery' in the statement of comprehensive income. An expense results from increase in carried interest, and a recovery of previously expensed carried interest results from decrease in carried interest at the reporting date.

Carried interest is measured at amortised cost and calculated based on the fair value of the investments of the Fund as measured at the reporting date. Where the calculation indicates that the performance conditions would have been achieved and distribution arrangements have been met where the investments realised at their fair values. carried interest is accrued. Carried interest is equal to the hypothetical share of profits. taking into account the cash already distributed from the Fund amount of divestment proceeds receivable. Therefore, based on the calculation described above, the Fund recognises a financial liability based on the estimated fair value of its assets at the balance sheet date. Carried interest is paid when the particular payment distribution arrangements as set out in the LPA are met.

2.15 Distribution

Distribution to the Fund's Partners is recognized as a liability in the Fund's Consolidated Financial Statements in the period in which the distributions are approved. Distributions are made in cash and decided by the Manager at its own discretion on the basis of net cash flows available for distribution, as often, as the General Partner deems appropriate and at any moment in time during the financial year. Subject to the remaining provisions in the LPA, each Partner's Respective Proportion of Partnership Assets as are available for distribution by the Partnership (whether of an Income or a Capital nature), after deducting or providing for: (x) such Partner's Respective Proportion of the Set-

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Up Costs and the Operating Costs; and (y) the Management Fee due in respect of such Partner, will be distributed between such Partner and the Special Limited Partner as set out below:

i. If such Partner is a Relevant Partner, 100% to such Relevant Partner; or
ii. If such Partner is a Limited Partner (and not a Relevant Partner) subject to the following order of priority:

(a) Firstly, 100% to such Limited Partner until it has received aggregate distributions pursuant to the LPA equal to all of its drawn down Commitment;
(b) secondly, 100% to such Limited Partner until it has received aggregate distributions equal to its Preferred Return (9%);
(c) thirdly, 50% to such Limited Partner and 50% to the Special Limited Partner until the Special Limited Partner has received pursuant to this sub-Clause (c) an amount equal to 20% of the aggregate distributions made with respect to such Limited Partner pursuant to sub-Clause (b) and this sub-Clause (c);
(d) fourthly, 80% to such Limited Partner and 20% to the Special Limited Partner.

All distributions to be made in accordance with the provisions of the LPA shall be made on a cumulative basis so that each distribution shall be made having regard to all the distributions made in accordance with the provisions of the LPA which preceded such distribution.

2.16 Interest Income and Expense

Interest income and expense are recognized within `finance income' and `finance expense' in the Consolidated Statement of Comprehensive Income using the effective interest rate method, except for borrowing costs relating to qualifying assets, which are capitalized as part of the cost of that asset. The Fund has chosen to capitalize borrowing costs on all qualifying assets irrespective of whether they are measured at fair value or not.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instrument (for example, pre-payment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate. transaction costs and all other premiums or discounts.

2.17 Expenses

Expenses are accounted for on an accrual basis. Expenses are charged to the Consolidated Statement of Comprehensive Income, except for those incurred in the acquisition of an investment which are capitalised as part of the cost of the investment. Expenses arising on the disposal of investments are deducted from the disposal proceeds.

3. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

The General Partner makes estimates and assumptions concerning the future in the preparation of the Consolidated Financial Statements. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and management judgments that have a

significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below and in more detail in the related notes.

Covid-19
The outbreak of COVID-19 and the actions taken by governments across the world to mitigate the effects will have a great impact on the global economy. The pandemic has not had a significant impact on the Fund's operations, and it is not expected to have significant impact on the Fund's activities and result hereof. Development projects in the Fund are progressing according to plan.

3.1 Accounting Estimates

Investment Property
The fair value of investment properties is determined by independent valuators using valuation techniques. The models used for valuing investment properties can include the net present value of estimated future cash flows, the capitalization approach, and/or recent transactions of comparable properties. The determination of the inputs in the valuation calculations requires management to make judgments and estimates. For further details of the judgments and assumptions made, see Note 11.

Property under Construction
The Fund has properties under construction at year end. For the properties under construction with significant uncertainty to the future cash inflows the fair value cannot be reliably determined and thus these properties are valued at cost. The fair value of these properties under construction is expected to be reliably determined at later stage of construction. For further details of the judgments and assumptions made, see Note 11.

Taxation
The carrying value of the Fund's investment property will generally be realized by a combination of income (rental stream during the period of use) and capital (consideration on the sale at the end of use). In jurisdictions where different tax rates exist for income and capital gains, the Fund considers the planned recovery of the asset and how that affects the tax rate used in the calculation of the deferred tax. The length of the period for which a property will be held prior to disposal is based on the Fund's current plans and recent experience with similar properties. The capital gains tax rate applied is that which would apply on a direct sale of the property recorded in the Consolidated Statement of Net Assets, regardless of whether the Fund 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.

Carried interest and clawback
The accounting for carried interest is a critical judgement. Carried interest and carried interest clawback are calculated based on the Fund's net asset value as of 31 December 2021 taking into account the cash already distributed from the Fund and the amount of divestment proceeds receivable or to be received upon disposal (indicated by the fair value of the investments at the year-end date) as estimated by the General Partner. The total carried interest may be significantly different from the carried interest reported at the reporting date.

Impairment of financial assets

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The loss allowance for financial assets is based on assumptions about risk of default expected loss rates. The Fund has uses judgement in making these assumptions and selecting the inputs to the impairment calculations, based on the Fund's history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 4.3, 16 and 18.

Incremental borrowing rate
The Fund determines the interest rate implicit in the lease using the incremental borrowing rate (hereinafter "IBR") to measure leasehold liability. The IBR is the rate of interest that the Fund would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Fund 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Fund estimates the IBR using observable inputs when available and is required to make certain entity-specific estimates.

3.2 Accounting Judgements

Classification of properties as inventory or investment property
The Fund invests in properties of different nature. For each property, Management makes judgement in relation to the classification of the property as either inventory or investment property. As the basis for measurement is different, correct classification is essential upon initial recognition.

The classification of a property is a matter of professional judgement based on facts and circumstances. Factors considered, when determining the classification of a property include but are not limited to the strategic plans for the property, whether the property has dual use (sale or rent) and the extend of use of the property in running an underlying business.

When entering into development projects, where management consider more than one possible future scenario dependent on market conditions, it is not always possible to determine the future use. In these cases, properties will be classified as investment properties considering the principle purpose of the Fund.

Classification of investments as subsidiaries, joint ventures or associates
Whether the Fund controls, has joint control or has significant influence over an entity or activity is subject to an assessment of influence and exposure to variability in returns.

For each investment, management carry out a specific assessment of the ability to exercise influence, including the ability to participate in the financial and operational decisions and thus affect the return.

When the Fund holds the majority of the voting rights, management evaluates whether rights held by other investors prevent the Fund from directing the relevant activities of the entity, and hereby preventing the Fund from controlling it. Despite holding the majority of the voting rights, the Shareholders' Agreement may only entitle the Fund to appoint 50% of the members of the entity's Board of Directors. In those situations, management evaluates the terms and condition of any deadlock mechanisms included in the Shareholders' Agreement, which may provide the Fund with a call option to acquire the remaining shares in the investee – exercisable in a deadlock situation only. In those situations, management applies significant judgement to determine whether the potential

voting rights related the call option are substantive and thus provide the Fund with control of the entity. When making this assessment, management considers among other whether:

- There are any barriers preventing the Fund from exercising the rights.
- The Fund will benefit from the exercise of the rights.

When making this assessment, management evaluates among other the exercise price of the call option against its fair value together with its terms and conditions. Management considers only call options that are exercisable when decisions about the relevant activities need to be made.

For entities where the Fund does not exercise control but holds or have the ability to exercise significant influence, such entities are classified as associates. The Fund is presumed to have significant influence over the entity, when it holds, directly or indirectly, 20-50 % of the voting rights, unless management can clearly demonstrate that this is not the case.

When the Fund has joint control over an entity, such investments are classified as joint ventures as management has determined that the Fund has rights to the net assets of the entity.

4. Financial Risk Management

The financial risk management function for the Fund is carried out by the AIFM in respect of financial risks. Financial risks are risks arising from financial instruments to which the Fund is exposed during or at the end of the reporting year. Financial risk comprises capital risk, market risk (including interest rate risk, foreign currency, and price risk), credit risk and liquidity risk. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits.

Risk management is carried out by the Fund's AIFM under policies approved by the General Partner and in accordance with the terms of the Fund's constitutional documents. The General Partner identifies and evaluates financial risks in close co-operation with the AIFM. The NREP Risk Management Policy provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk, investing excess liquidity and foreign exchange risk.

Key financial risk management reports are produced quarterly on a Fund level and provided to the Board of the Fund's AIFM.

4.1 Capital risk

The Fund's objectives when managing capital are to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders and benefits for other stakeholders; and to maintain an optimal capital structure to reduce the cost of capital. The Management considers the going concern principle of accounting appropriate as of 31 December 2021.

In order to maintain or adjust the capital structure, the Fund may adjust the amount of distributions paid to partners, make drawdowns from partners of undrawn commitments, sell assets to reduce debt, or increase borrowings.

The Fund monitors capital on the basis of the loan-to-value ratio. This ratio is calculated as outstanding senior debt divided by the sum of (i) the Gross Asset Value of each asset (or portion of any asset) held

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directly or indirectly by the Fund or the Property Companies (including, without limitation, cash, and all assets, whether standing assets, development or land) as determined by the General Partner in accordance with the Valuation Policy, and (ii) any Unfunded Commitments (remaining portion of investor commitments not yet drawn down). "Outstanding Senior debt" means the aggregate outstanding borrowings and guarantees (without double counting in respect of the same amount borrowed) of the Partnership, any Additional Vehicle and/or any Property Company, the proceeds of which were used to finance or refinance the purchase and/or optimisation of the Investments (for the avoidance of doubt, excluding any internal indebtedness between the Partnership and the Property Companies and/or any Credit Facility Indebtedness).

The Fund's strategy is to target a Loan-to-value ratio between 55% to 60% when fully invested. The gearing ratio and Loan-to-value ratio as at 31 December, 2021 and 2020 is as follows:

	2021 EUR ('000s)	2020 EUR ('000s)
Total Borrowings	**824,658**	**628,258**
Less: Cash and Cash Equivalents	(112,448)	(53,210)
Net Debt	**712,210**	**575,048**
Total Net Assets	960,739	616,269
Total Capital	**1,672,949**	**1,191,317**
Gearing Ratio	**43%**	**48%**

	2021 EUR ('000s)	2020 EUR ('000s)
Total Senior Debt	**824,658**	**628,258**
Gross Asset Value of Investment Properties and Investment in Associates and Joint Ventures	**1,887,094**	**1,301,201**
Remaining portion of Investor Commitments not yet drawn down and paid to the I	253,649	413,649
Total of Gross Asset Value and Unfunded Commitments	**2,140,743**	**1,714,850**
Loan-to-Value Ratio	**39%**	**37%**

4.2 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. The Fund's market risks arise from open positions in interest-bearing financial assets and liabilities, foreign currency denominated financial assets and liabilities, and derivatives to the extent that these are exposed to general and specific market movements. The Fund's LPA sets limits on the exposure to interest rate risk that may be accepted, which are monitored on a quarterly basis (see details below). However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

Sensitivities to market risks included below 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.

(a) Cash Flow and Fair Value Interest Rate Risk

The Fund's interest rate risk principally arises from long-term and short-term borrowings (Note 14).

The Fund's non-current assets are mainly non-interest-bearing. These assets are mainly funded by interest-bearing borrowings at prevailing market interest rates.

Borrowings issued at variable rates expose the Fund to cash flow interest rate risk. The Fund's policy is to hedge this interest rate exposure in accordance with the LPA. To manage this, the Fund enters

into interest rate swaps in which the Fund agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed upon notional principal amount.

At December 31, 2021, after taking into account the effect of interest rate swaps, 33% (2020: 32%) of the Fund's borrowings are at a fixed rate of interest. Trade and other receivables and trade and other payables 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. Disclosures of interest rate derivatives are presented in Note 12.

The Fund's interest rate risk is monitored by the Fund's General Partner/AIFM on a quarterly basis.

The Fund's interest-bearing financial liabilities expose the Fund to risks associated with effects of fluctuations in the prevailing levels in market interest rates on its balance sheet and cash flows.

The table below summarizes the Fund's financial assets and liabilities exposure to interest rate risks. It includes the Fund's assets and liabilities at fair value, categorized by the earlier of contractual re-pricing or maturity dates. All amounts are in EUR ('000s).

At December 31, 2021	< 1 year	1 to 5 years	> 5 years	Non-interest bearing	Total
ASSETS					
Cash and Cash Equivalents	*112,448*	-	-	-	*112,448*
Derivative Financial Instruments	-	87	-	-	87
Loans to Associate and Joint Venture	-	-	62,553	-	62,553
Debt Investments	-	-	-	-	-
Trade and Other Receivables	-	-	-	19,441	19,441
Other Non-Current Assets	-	-	-	315	315
Total Financial Assets	**112,448**	**87**	**62,553**	**19,756**	**194,844**
LIABILITIES					
Borrowings	242,948	517,994	63,716	-	824,658
Lease Liabilities	-	-	17,615	-	17,615
Tenant Deposits	1,396	1,044	573	-	3,013
Other Long-Term Liabilities	69	7,743	-	-	7,812
Trade and Other Payables	-	-	-	32,515	32,515
Carried Interest	-	-	-	77,137	77,137
Other Current Liabilities	-	-	-	55,977	55,977
Total Financial Liabilities	**244,413**	**526,781**	**81,904**	**165,629**	**1,018,727**
Total Interest Sensitivity Gap	**(131,965)**	**(526,684)**	**(19,351)**	**(145,873)**	**(823,883)**

At December 31, 2020	< 1 year	1 to 5 years	> 5 years	Non-interest bearing	Total
ASSETS					
Cash and Cash Equivalents	53,210	-	-	-	53,210
Loans to Associate and Joint Venture	1,601	2,774	42,458	-	46,833
Other Non-Current Assets	-	-	-	20,925	20,925
Trade and Other Receivables	-	-	-	35	35
Total Financial Assets	**54,811**	**2,774**	**42,458**	**20,960**	**121,003**
LIABILITIES					
Borrowings	153,830	435,867	38,561	-	628,258
Lease Liabilities	-	-	32,490	-	32,490
Derivative Financial Instruments	20	1,149	-	-	1,169
Tenant Deposits	1,362	723	296	-	2,381
Other Long-Term Liabilities	13,158	-	-	-	13,158

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Trade and Other Payables	-	-	-	37,820	37,820
Carried Interest	-	-	-	25,018	25,018
Other Current Liabilities	5,110	-	-	4,467	9,577
Total Financial Liabilities	**173,480**	**437,739**	**71,347**	**67,305**	**749,871**
Total Interest Sensitivity Gap	**(118,669)**	**(434,965)**	**(28,889)**	**(46,345)**	**(628,868)**

As of December 31, 2021, if interest rates had been 50 basis points higher with all other variables held constant, post-tax profit and net assets for the year would have been KEUR 2,763 lower (2020: KEUR 1,935 lower). If interest rates had been 50 basis points lower with all other variables held constant, post-tax profit for the year would have been KEUR 0 higher (2020: KEUR 0 higher).

The average effective interest rates of financial instruments at the date of the Consolidated Statement of Net Assets, based on reports reviewed by the Board of Managers, were as follows:

	2021	2020
Cash and cash equivalents	0%	0%
Borrowings	2.36%	2.40%

(b) Foreign Currency Risk

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

According to the LPA the Fund is not allowed to enter into any currency hedging arrangement unless approved by the Investor Advisory Committee.

The tables below summarise the reports provided to the General Partner and used to monitor the Fund's exposure to foreign currency risk arising from financial instruments as at December 31. The Fund's assets and liabilities are included in the table categorised by currency and classification at their carrying amount.

	2021 All amounts in EUR ('000)			
	EUR	**DKK**	**SEK**	**NOK**
Financial Assets Measured at Amortised Cost				
Loans to Associated Entities and Joint Ventures	12,234	50,319	-	-
Other Non-Current Assets	297	-	18	-
Trade and Other Receivables	3,175	3,449	12,816	1
Cash and Cash Equivalents	39,157	39,457	33,820	14
Total Financial Assets	**54,863**	**93,225**	**46,654**	**15**
Non-Financial Assets				
Inventory	-	7,373	-	-
Investment Properties	575,546	496,002	757,509	-
Investment in Associates and Joint Ventures	40,790	14,098	1,251	1,898
Prepaid Expenses	2,135	252	610	-
Total Non-Financial Assets	**618,471**	**517,725**	**759,370**	**1,898**
Total Assets	**673,334**	**610,950**	**806,024**	**1,913**
Financial Liabilities Measured at Fair Value				
Derivative Financial Instruments	-	-	-	-
Financial Liabilities Measured at Amortised Cost				

Borrowings	306,954	195,442	322,262	-
Lease Liabilities	17,615	-	-	-
Tenant Deposits	-	2,760	254	-
Unitholder Loans	-	-	-	-
Trade and Other Payables	10,392	12,649	9,459	15
Carried Interest	77,137	-	-	-
Other Liabilities	7,551	19,935	36,303	-
Total Financial Liabilities	**419,649**	**230,786**	**368,278**	**15**
Deferred Tax Liabilities	37,066	23,822	58,740	-
Current Income Tax Liabilities	1	5	1	
Deferred Income	-	1,110	1,500	-
Total Non-Financial Liabilities	**37,067**	**24,937**	**60,241**	**-**
Total Liabilities	**456,716**	**255,723**	**428,519**	**15**
Net Currency Position	**1,130,050**	**866,673**	**1,234,543**	**1,928**

	2020 All amounts in EUR ('000)			
	EUR	**DKK**	**SEK**	**NOK**
Financial Assets Measured at Amortised Cost				
Loans to Associated Entities and Joint Ventures	8,454	22,632	15,747	-
Other Non-Current Assets	13	-	22	-
Trade and Other Receivables	12,441	7,420	1,133	(69)
Cash and Cash Equivalents	17,779	7,304	28,038	89
Total Financial Assets	**38,687**	**37,356**	**44,940**	**20**
Non-Financial Assets				
Right-of-use Assets	-	5,595	-	-
Investment Properties	417,272	350,315	475,044	-
Investment in Associates and Joint Ventures	24,326	13,922	15,471	1,232
Prepaid Expenses	2,306	325	1,236	-
Total Non-Financial Assets	**443,904**	**370,157**	**491,751**	**1,232**
Total Assets	**482,591**	**407,513**	**536,691**	**1,252**
Financial Liabilities Measured at Fair Value				
Derivative Financial Instruments	253	102	814	-
Financial Liabilities Measured at Amortised Cost				
Borrowings	289,215	141,277	197,766	-
Lease Liabilities	32,490	-	-	-
Tenant Deposits	440	1,682	259	-
Trade and Other Payables	19,730	10,557	3,922	(8)
Carried Interest	25,018	-	-	-
Other Liabilities	7,587	8,055	5,669	1,424
Total Financial Liabilities	**374,733**	**161,673**	**208,430**	**1,416**
Deferred Tax Liabilities	15,198	15,922	33,351	(5)
Deferred Income	236	(3)	827	-
Total Non-Financial Liabilities	**15,434**	**15,919**	**34,178**	**(5)**
Total Liabilities	**390,167**	**177,592**	**242,608**	**1,411**
Net Currency Position	**92,424**	**229,921**	**294,083**	**(159)**

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The Fund reduces foreign currency risk by matching its investment property currency and loan finance currency.

The functional currency of the Fund is the Euro; the functional currencies of the Fund's principal subsidiaries are EUR, DKK, NOK and SEK. At December 31, 2021 if DKK strengthened/weakened by 10%, with all other variables held constant, post-tax profit for the year would have been KEUR 4,600 (2020: KEUR 2,758) higher and KEUR 3,764 (2020: KEUR 2,257) lower respectively. Since the Danish krone is part of the ERM-II mechanism and its exchange rate is tied to within 2.25% of the euro, a variance of the DKK is unlikely. If NOK strengthened/weakened by 10%, with all other variables held constant, post-tax profit for the year would have been KEUR 36 (2020: KEUR 3) lower and KEUR 30 (2020: KEUR 2) higher respectively. If SEK strengthened/weakened by 10%, with all other variables held constant, post-tax profit for the year would have been KEUR 11,515 (2020: KEUR 7,452) higher and KEUR 9,422 (2020: KEUR 6,098) lower respectively.

(c) Price Risk

The Fund is exposed to price risk other than in respect of financial instruments, such as property price risk including property rentals risk. See Note 11.

4.3 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 rental receivables from lessees, loans to joint ventures, rental guarantees, and derivatives with a positive fair value.

Credit risk is managed on a group basis. The Fund has policies in place to ensure that rental contracts are entered into only with lessees with an appropriate credit history, but the Fund does not monitor the credit quality of trade and other receivables on an ongoing basis. The Fund has, however, a third-party collector agency arrangement in case bad debt risk occurs. Cash balances are held, and derivatives are agreed only with financial institutions with a Moody's or Fitch credit rating of BBB or better, except in cases where amounts are immaterial.

Credit risk arises principally from investments made in debt instruments, cash and cash equivalents, derivative contracts entered into for hedging purposes and receivables connected to investment properties such as tenant receivables, unsettled sales proceeds et al.

NREP does not hedge counterparty credit risk arising investments in debt instruments, cash and cash equivalents or from derivative contracts (all together "Financial Counterparty") entered into for hedging purposes.

NREP monitors credit risk of any Financial Counterparty on an annual basis and performs initial financial due diligence.

The Fund's maximum exposure to credit risk by class of financial asset other than derivatives and rental guarantee is as follows:

	2021 EUR ('000s)	2020 EUR ('000s)
Loans to Associates and Joint Ventures	62,553	46,833
Rent and service charges receivable from Lessees	5,868	2,679
Other receivables	13,573	18,246
Cash and Cash Equivalents	112,448	53,210

Deposits refundable to tenants may be withheld by the Fund in part or in whole, if receivables due from the tenant are not settled or in case of other breaches of contract.

The fair value of cash and cash equivalents at December 31, 2021 approximates the carrying value.

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

Financial Institution	Rating Agency	Rating	2021 EUR ('000s)	2020 EUR ('000s)
BBH	Fitch	A+	27,524	4,977
Danske Bank	Fitch	A	68,286	39,861
SparNord	Fitch	-	501	1,913
Nordea Bank	Fitch	AA-	11,014	4,872
Nykredit	Fitch	A	708	303
SEB	Fitch	AA-	3,546	533
Swedbank	Fitch	A+	869	110
Other Financial Institutions		-	-	641
			112,448	**53,210**

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

Further details on the Fund's credit risk and the related impairment provisions for rent and service charge receivables and loans to joint ventures are included in Note 16.

4.4 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate credit facility and the ability to close out market positions.

The Fund's liquidity position is monitored on a daily basis by the AIFM and is reviewed quarterly by the Board of Managers of the General Partner. A summary table with maturity of financial liabilities presented below is used by key management personnel to manage liquidity risks. 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 Consolidated Statement of Net Assets, as the impact of discounting is not significant.

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

	2021 All Amounts in EUR ('000)			
Financial Liabilities	**< 1 year**	**1 - 5 years**	**> 5 years**	**Total**
Borrowings	242,948	517,994	63,716	824,658
Lease Liabilities	-	-	17,615	17,615
Tenant Deposits	2,238	521	254	3,013
Trade and Other Payables	32,515	-	-	32,515

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Carried Interest	-	-	77,137	77,137
Interest Payable on Borrowings	14,374	19,272	63,618	97,264
Other Non-Current Liabilities	69	7,743	-	7,812
Other Current Liabilities	55,977	-	-	55,977

2020
All Amounts in EUR ('000)

Financial Liabilities	**< 1 year**	**1 - 5 years**	**> 5 years**	**Total**
Non-derivatives				
Borrowings	165,215	451,882	43,711	660,808
Lease Liabilities	-	-	32,490	32,490
Tenant Deposits	1,362	723	296	2,381
Trade and Other Payables	37,820	-	-	37,820
Carried Interest	-	-	25,018	25,018
Other Non-Current Liabilities	13,158	-	-	13,158
Other Current Liabilities	9,577	-	-	9,577
Derivatives				
Derivative Financial Instruments	20	1,149	-	1,169

As the amount of contractual undiscounted cash flows related to bank borrowings and other loans is based on variable rather than fixed interest rates, the amount disclosed is determined by reference to the conditions existing at the reporting date - that is, the actual spot interest rates effective as of December 31, 2021 and are used for determining the related undiscounted cash flows.

4.5 Fair Value Estimation

To increase consistency and comparability in fair value measurements and related disclosures, IFRS 13 establishes a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value.

The fair value hierarchy levels are as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets and liabilities
- Level 2 - inputs other than quoted prices included within level 1 that are observable for the asset or liability
- Level 3 - inputs for the asset or liability that are not based on observable market data

The level of the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgment by the Fund. The Fund considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The Fund's assets and liabilities that are measured at fair value were classified as follows:

	2021 All Amounts in EUR ('000)			
	Level 1 EUR	**Level 2 EUR**	**Level 3 EUR**	**Total Balance EUR**
ASSETS				
Investment Property	-	-	1,723,335	1,723,335
Investment in Associate and Joint Ventures	-	-	58,036	58,036
Interest rate swaps	-	87	-	87
Total Assets	**-**	**87**	**1,781,371**	**1,781,458**
LIABILITIES				
Derivative Financial Instruments				
Interest rate swaps	-	-	-	-
Other Current Liabilities	-	-	-	-
Total Liabilities	**-**	**-**	**-**	**-**

	2020 All Amounts in EUR ('000)			
	Level 1 EUR	**Level 2 EUR**	**Level 3 EUR**	**Total Balance EUR**
ASSETS				
Investment Property	-	20,700	1,172,446	1,193,146
Investment in Associate and Joint Ventures	-	-	54,951	54,951
Total Assets	**-**	**20,700**	**1,227,397**	**1,248,097**
LIABILITIES				
Derivative Financial Instruments				
Interest rate swaps	-	(1,169)	-	(1,169)
Other Current Liabilities	-	-	(1,579)	(1,579)
Total Liabilities	**-**	**(1,169)**	**(1,579)**	**(2,748)**

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. These include borrowings and interest rate swaps. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

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 maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Specific valuation techniques to value financial instruments, similar to those applied to last year, include:

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- The fair value of interest rate swaps (level 2) is calculated as the present value of the estimated future cash flows based on observable yield curve.
- The fair value of loans to joint ventures (level 3) is calculated using a discounted cash flow analysis

The fair value of investment properties (including investment properties held by joint ventures) is determined by independent professionally qualified valuers using valuation techniques in accordance with recognized international professional valuation standards. The Fund determines that the fair value established reflects the highest and best use of the investment property by the Fund. The models used for valuing investment properties can include the net present value of estimated future cash flows, income capitalization and/or recent transactions of comparable properties. The determination of the inputs in the valuation calculations requires management to make judgments and estimates. The inputs include observable market data and unobservable inputs, reflecting property-specific data adjusted for assumptions market participants would use in pricing the asset, including assumptions about risk. (See Note 12 for further details of the valuation techniques and the inputs used.)

The following table presents the change in level 3 items for the year ended December 31, 2020 and December 31, 2021:

	All Amounts in EUR ('000)	
	Investment properties	**Associate and Joint Ventures**
Opening balance January 1, 2020	**398,464**	**48,451**
Gains / (losses) for the year recognised in the consolidated statement of comprehensive income	189,148	(3,408)
Reclassification of assets	7,216	-
Transferred from property under development	207,224	-
Acquisitions	373,449	9,924
Disposals	(708)	-
Transfer to level 2	(20,700)	-
Effect of Translation to Presentation Currency	18,353	(16)
Closing balance December 31, 2020	**1,172,446**	**54,951**
Opening balance January 1, 2021	**1,172,446**	**54,951**
Gains / (losses) for the year recognised in the consolidated statement of comprehensive income	282,560	4,818
FV Movement linked to revesal of capitalized interest on cost entities	(2,188)	
Transferred from property recognized at cost	3,008	-
Acquisitions	260,748	-
Transfer from level 2	20,700	-
Effect of Translation to Presentation Currency	(13,937)	(1,732)
Closing balance December 31, 2021	**1,723,335**	**58,036**

Except for investment properties that have been completed during the year transferred into (level 3), there have been transfers from level 3 to level 2 for a total of KEUR 0. The Fund's assets and liabilities that are not measured at fair value, but for which the fair value is disclosed, were classified as follows:

All amounts in EUR'000				
	2021		2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Loans to joint ventures	62,553	62,553	46,833	46,833
Financial liabilities				
Borrowings (current and non-current)	824,658	825,449	628,258	628,258

Most of the loans are at variable interest rates; the fair value of the variable interest rate loans corresponds to the carrying values. The fund has only one fixed rate borrowing. The fair value of the fixed rate borrowing differs 791 KEUR of the carrying value.

Loans to joint ventures (measured at amortised cost in the statement of net assets)
The fair value (level 3) is calculated using a discounted cash flow analysis.

Borrowings (measured at amortised cost in the statement of net assets)
The fair value of borrowings are based on discounted cash flows using the current borrowing rate. They are classified within level (3) in the fair value hierarchy due to the use of unobservable inputs.

Other financial instruments measured at amortised cost in the statement of net assets
The carrying amount of cash and cash equivalents, trade and other receivables, tenant deposits and trade and other payables is considered to approximate their fair value due to their short-term nature.

5. Scope of Consolidation

NREP Nordic Strategies Fund III Limited Partnership is represented and managed on behalf of investors by NREP Nordic Strategies Fund III GP S.à r.l. and is the parent company to fully owned NREP Finnish Strategies Fund FCP-RAIF, NREP NSF III Resiholding S.à r.l. and NREP NSF III Holding 1 S.à r.l. and indirect owner of NREP NSF III Holding 2 S.à r.l. The subsidiary NREP NSF III Holding 2 S.à r.l owns local Nordic holding companies in Denmark, Finland, Norway and Sweden. These subsidiaries in turn own properties directly or through subsidiaries.

Investments in Associates and Joint Ventures
The Fund´s carrying amount of the net assets value of the Investment in Associates and Joint Ventures is initially recognized at the cost of the investment unless the fair value can be established through independent appraisal. The Fund´s share of the net asset value is determined based on its contractual equity share in the event that its share ownership does not represent the Fund´s actual entitlement to the net assets of the entity.

Investments in Associates and Joint Ventures are measured using the equity method set out under the accounting policies (section 2.6) When determining the classification of associates and joint ventures the contractual rights and obligations of each investor are assessed rather than the legal structure of the arrangement. The Fund had the following investments in Associates and Joint Ventures at December 31.

NREP NORDIC STRATEGIES FUND III LIMITED PARTNERSHIP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended December 31, 2021

	2021 EUR ('000s)	2020 EUR ('000s)
Joint Ventures		
Wallin Bostadsutveckling AB	8,825	14,830
Skoleveien 2 Holding AS	1,954	1,231
SHHNREP Invest AB	1,248	850
Plushusene	5,921	-
Total Joint Ventures	**17,948**	**16,911**
Associates		
AVIA Real Estate Oy	21,105	21,159
Tetris Holding K/S & Tetris Holding GP ApS	14,098	13,816
Keskustakorttelin Asunnot Ky	1,360	556
Other	3,525	2,509
Total Associates	**40,088**	**38,040**
Total Joint Ventures and Associates	**58,036**	**54,951**

The tables below summarize the financial information and reconcile it to the carrying amount of each of the Fund's material Joint Ventures and Associates at December 31, 2021.

During the year ended 31 December 2021, the net disposals of associates and joint venture amounts to KEUR 1,732 (2020: acquisitions KEUR 9,924).

	AVIA Real Estate Oy		Wallin Bostadsutveckling AB	
	31 Dec 2021	31 Dec 2020	**31 Dec 2021**	31 Dec 2020
	EUR '000	EUR '000	**EUR '000**	EUR '000
Financial statement reporting date	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Place of incorporation and operation	Vantaa, Finland		Stockholm, Sweden	
Principal activity	Multiple		Residential	
Summarised Statement of Net Assets				
Current assets				
Cash and cash equivalents	15,692	2,572	9,460	16,114
Other current assets	2,737	760	2,751	5,671
Total current assets	**18,429**	**3,332**	**12,211**	**21,785**
Non-current assets	291,914	251,160	98,700	83,428
Current liabilities				
Financial liabilities (excl trade payables)	6,073	6,196	-	-
Other current liabilities	1,962	7,534	55,810	36,968
Total current liabilities	**8,035**	**13,730**	**55,810**	**36,968**
Non-current liabilities				
Financial liabilities (excluding trade payables)	201,631	149,235	37,451	37,470
Other non-current liabilities	34,781	32,632	-	4,550
Total non-current liabilities	**236,412**	**181,867**	**37,451**	**42,020**
Minorities				

Net assets	**65,895**	**58,895**	**17,650**	**26,275**
Reconciliation to carrying amounts:				
Opening net assets 1 January	58,895	75,370	26,275	9,616
Paid in share capital	-	-	-	-
Profit/(Loss) for the period	7,000	(16,475)	5,302	(702)
Distributions	-	-	(13,373)	0
Capital injection	-	-	-	17,368
Exchange differences	-	-	(553)	(6)
Closing net assets	**65,895**	**58,895**	**17,651**	**26,275**
Fund's share in %	31%	31%	50%	50%
Proportional share in EUR'000s	20,428	18,257	8,825	13,137
Carrying amount	**21,105**	**21,159**	**8,825**	**14,830**

	Plushusene		Tetris Holding K/S & Tetris Holding GP ApS	
	31 Dec 2021 EUR '000	31 Dec 2020 EUR '000	**31 Dec 2021 EUR '000**	31 Dec 2020 EUR '000
Financial statement reporting date	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Place of incorporation and operation	Multiple, Denmark		Multiple, Denmark	
Principal activity	Residential		Senior Housing	
Summarised Statement of Net Assets				
Current assets				
Cash and cash equivalents	7,051	47	5,919	5,564
Other current assets	79	0	80,433	18,833
Total current assets	**7,130**	**47**	**86,352**	**24,397**
Non-current assets	77,732	1,545	21,066	19,415
Current liabilities				
Financial liabilities (excl trade payables)	0	0	1,085	15,332
Other current liabilities	4,525	1,171	54,715	-
Total current liabilities	**4,525**	**1,171**	**55,800**	**15,332**
Non-current liabilities				
Financial liabilities (excluding trade payables)	64,730	108	22,739	-
Other non-current liabilities	3,763	530	2,141	1,681

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Total non-current liabilities	**68,493**	**638**	**24,880**	**1,681**
Minorities	0	**0**	**924**	**842**
Net assets	**11,842**	**-217**	**25,815**	**25,957**

Reconciliation to carrying amounts:

Opening net assets 1 January	-217	1	25,957	24,124
Paid in share capital	-	-	-	1,748
Profit/(Loss) for the period	12,070	-222	(158)	-
Contributions	-	-	-	-
Capital injection	-	-	-	-
Exchange differences	-11	4	16	85
Closing net assets	**11,842**	**-217**	**25,815**	**25,957**
Fund's share in %	50%	50%	50%/65%	50%/65%
Proportional share in EUR'000s	5,921	-108	12,907	12,978
Carrying amount	**5,921**	**-106**	**14,098**	**13,816**

The reported share of the net assets of Tetris Holding K/S & Tetris Holding GP ApS is currently higher than 50%/65% of the equity value of the consolidated investment. The Fund's ownership consists of shares with a higher contractual nominal value, with higher rights to proceeds.

The recognised share of result of the investment in AVIA Estate Oy amounted to KEUR -343 (2020 KEUR -5,078), Wallin Bostadsutveckling AB KEUR -3,311 (2020: KEUR -360), Skoleveien 2 Holding AS KEUR 184 (2020: KEUR 0), Tetris Holding K/S & Tetris Holding GP ApS KEUR 282 (2020: KEUR 1,123) and SHHNREP Invest AB KEUR 1,175 (2020: KEUR 663), Plushusene KEUR 6,027 (2020: KEUR 0) and others for KEUR 803 (2020: KEUR 244). Total profit from the joint ventures amounted to KEUR 4,817 (2020: KEUR -3,408).

6. Rental and Related Income

Analysis of revenue by category	**Year ended December 31, 2021 EUR ('000s)**	**Year ended December 31, 2020 EUR ('000s)**
Gross Rental	43,919	28,303
Related Income	2,814	3,499
Net Rental and Related Income	**46,733**	**31,802**

The investment properties are leased to tenants under operating leases with rentals payable monthly. Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate. Where considered necessary to reduce credit risk, the Fund may obtain bank guarantees for the term of the lease.

Although the Fund is exposed to changes in the residual value at the end of the current leases, the Fund typically enters into new operating leases and therefore will not immediately realise any

reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

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

	Year ended December 31, 2021 EUR ('000s)	Year ended December 31, 2020 EUR ('000s)
No later than 1 year	42,274	37,238
More than 1 years and no later than 5 years	117,974	126,881
More than 5 years	191,215	225,691
Total	**351,463**	**389,810**

7. Direct Property Operating Expenses

	Year ended December 31, 2021 EUR ('000s)	Year ended December 31, 2020 EUR ('000s)
Expenses Recoverable from Tenants	4,475	5,679
Ground rent costs	181	46
Real Estate Taxes	2,858	2,369
Repair and Maintenance Costs	3,805	2,486
Other Direct Property Operating Expenses	2,723	770
Total	**14,042**	**11,350**

Direct property operating expenses only relate to investment properties which generated rental income during the year.

8. Other Expenses

	Year ended December 31, 2021 EUR ('000s)	Year ended December 31, 2020 EUR ('000s)
Audit Fees	1,467	570
Accounting & Tax Services	3,913	2,921
Allowance for Doubtful Accounts	(1)	(16)
Broken Deal Costs	-	1,753
Consultancy Fees	4,280	4,359
Legal Fees	91	1,270
Other management costs and operating expenses	2,748	1,882
Total	**12,498**	**12,739**

9. Net Finance Income and Expenses

Finance income and expenses comprise interest income on funds invested, gains/losses on the disposal of financial instruments, changes in the fair value of financial instruments, interest expense on borrowings and foreign exchange gains/losses. Interest income and expense is recognised as it accrues in profit or loss, using the effective interest method.

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Net finance costs can be analysed as follows:

	Year ended December 31, 2021 EUR ('000s)	Year ended December 31, 2020 EUR ('000s)
Finance Income on:		
Cash and Cash Equivalents	105	1,083
Loans to Associates and Joint Ventures	3,953	1,660
Net Unrealized Gains on Translation of Foreign Currency	907	6,439
Other Finance Income	625	980
Total Finance Income	**5,590**	**10,162**
Finance Expense on:		
Borrowings	(11,722)	(9,011)
Derivative Financial Instruments	(131)	(180)
Net Unrealized Loss on Translation of Foreign Currency	(4,106)	-
Trade and Other Payables	(5)	(24)
Other Finance Expenses	(436)	(745)
Amortization of capitalized arrangement fee	(2,521)	(2,089)
Valuation Movements on Fair Value of Derivatives		(853)
Total Finance Expenses	**(18,921)**	**(12,902)**
Net Finance Expense	**(13,331)**	**(2,740)**

Total interest income and expense on financial assets and liabilities that are measured at amortised cost was KEUR (14,588) (2020 KEUR (1,888)).

Other finance income includes a reversal of deferred purchase price that was deemed to be no longer payable.

10. Income Tax Expense

The Fund's consolidated income tax expense (benefit) is affected by the income tax laws and regulations in effect in the various countries in which it operated and the pre-tax results of its subsidiaries in each of these countries, which can vary from year to year. The tax on the Fund's profit before tax therefore differs from the theoretical amount that would arise using the weighted average tax rate on the applicable profits of the consolidated companies as follows:

	Year ended December 31, 2021 EUR ('000s)	Year ended December 31, 2020 EUR ('000s)
Tax Expense		
Current Tax	697	599
Deferred Tax	53,609	45,802
Total Taxation	**54,306**	**46,401**
Tax Reconciliation		
Profit on Ordinary Activities before Taxation	240,316	149,338
Tax on Profit on Ordinary Activities at Domestic Tax Rates	50,632	31,207
Tax Effect on:		
- Non-deductible loss from Disposal of Investment Property	-	1,551
- Non-deductible loss (tax free profit) from shares in Joint Ventures	(1,698)	719
- Not recognized deferred tax on Investment properties	1,033	2,779
- Effect on deferred tax due to change in tax rate	-2,297	296
- Carried Interest (recovery/expense)	10,998	
- Expenses/ (Income) not subject to tax	(3,760)	9,113
- Other reconciling items	(601)	736

Total Taxation	**54,306**	**46,401**

Current tax refers to income tax levied at the following rates:

	2021	2020
Denmark	22%	22%
Finland	20%	20%
Luxembourg	24.94%	24.94%
Norway	22%	22%
Sweden	20.60%	21.40%

The weighted average applicable tax rate was 21.07% (2020: 20.90%).

Deferred Taxation
Deferred tax is an accounting provision for future potential taxes relating to temporary differences such as the increase of the fair value of the property in excess of the tax base. However, in the case where (i) properties have been acquired through the purchase of shares in a company owning the property and (ii) where an analysis of the facts and circumstances determine that the acquisition is not a business combination of the Fund, due to applying IAS 12 initial recognition exemption for properties, the deferred tax liability is calculated as: (fair value of property – tax base value) x tax rate - deferred tax liability as at the date of acquisition.

Deferred tax is calculated using the substantively enacted tax rates in effect at the moment the temporary tax difference is expected to reverse in the jurisdictions mentioned above. The tax on the Fund's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate at 21.07 % (2020: 20.90%) on the applied profits of the consolidated companies.

The analysis of deferred tax assets and liabilities is as follows:

	2021 EUR ('000s)	2020 EUR ('000s)
Deferred Tax Assets:		
- Deferred Tax Assets to be recovered after more than 12 months	1,087	4,520
- Deferred Tax Assets to be recovered within 12 months	-	-
Total Deferred Tax Assets	**1,087**	**4,520**
Deferred Tax Liabilities		
- Deferred tax liability reversion after more than 12 months	(111,308)	(68,987)
- Deferred tax liability reversion within 12 months	-	-
Total Deferred Tax Liabilities	**(111,308)**	**(68,987)**
Deferred Tax Liabilities (net)	**(110,221)**	**(64,467)**

The specification of deferred tax is as follows:

	2021			
	Assets	Liabilities	Held for sale	Net
	EUR ('000s)	EUR ('000s)	EUR ('000s)	EUR ('000s)
Deferred Tax				
Investment Property	1,071	(111,308)	-	(110,237)
Derivative Financial Instruments	16	-	-	16
Deferred Tax Assets/(Liabilities)	**1,087**	**(111,308)**	**-**	**(110,221)**

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			2020	
	Assets EUR ('000s)	Liabilities EUR ('000s)	Held for sale EUR ('000s)	Net EUR ('000s)
Deferred Tax				
Investment Property	-	(65,772)	-	(65,772)
Derivative Financial Instruments	227	-	-	227
Other timing differences	4,293	(3,215)	-	1,078
Deferred Tax Assets/(Liabilities)	**4,520**	**(68,987)**	**-**	**(64,467)**

The analysis of movement of deferred tax is as follows:

Movements	Investment properties EUR ('000s)	Derivative Financial Instruments EUR ('000s)	Joint Ventures EUR ('000s)	Other Timing Effects EUR ('000s)	Total EUR ('000s)
At December 31, 2019	**(17,351)**	**32**	**-**	**449**	**(16,870)**
(Charged)/credited					
- to profit or loss	(48,420)	195	-	2,424	(45,802)
- directly from equity	-	-	-	(1,794)	(1,794)
At December 31, 2020	**(65,771)**	**227**	**-**	**1,078**	**(64,467)**
(Charged)/credited					
- to profit or loss	(56,982)	(211)	-	3,584	(53,609)
- transfer to other non-current liabilities	-	-	-	5,000	5,000
- directly from equity	-	-	-	2,854	2,854
At December 31, 2021	**(122,753)**	**16**	**-**	**12,516**	**(110,221)**

Based on the current rules in the different jurisdictions where the Fund has assets, the Manager does not expect any expiry of the accumulated tax losses.

11. Investment Properties

	Land and Buildings EUR ('000s)	Property under Development EUR ('000s)	Total EUR ('000s)
Opening balance December 31, 2019	**331,871**	**294,195**	**626,066**
Additions			
Direct Acquisitions	65,021	50,562	115,583
Capital expenditures	80,059	195,635	275,694
Transfers	91,583	(91,583)	-
Right of use assets	25,274	-	25,274
Reclassification of assets	7,216	-	7,216
Disposals	(708)	(2,755)	(3,463)
Revaluations Incl. in Consolidated Statement of Comprehensive Income	37,156	144,271	181,427
Effect of Translation to Presentation Currency	8,536	9,917	18,453
Carrying Value at December 31, 2020	**646,008**	**600,242**	**1,246,250**
Additions			
Direct Acquisitions	53,815	2,124	55,939
Capital expenditures	123,608	135,441	259,049
Transfers	344,712	(344,712)	-
Revaluations Incl. in Consolidated Statement of Comprehensive Income	202,156	80,404	282,560
Effect of Translation to Presentation Currency	(8,952)	(5,789)	(14,741)
Carrying Value at December 31, 2021	**1,361,347**	**467,710**	**1,829,057**

As at December 31, 2021, the Fund value of properties of KEUR 1,829,057 (2020: KEUR 1,246,250)

comprises of leasehold properties of KEUR 17,615 (2020: KEUR 32,490) and freehold properties of KEUR 1,811,442 (2020: KEUR 1,150,682).

Based on the inputs to the valuation technique the fair value of the investment properties of KEUR 1,723,335 (2020: KEUR 1,193,146) has been categorized as level 3 fair value.

Investment properties of an amount of KEUR 1,734,741 (2020: KEUR 1,158,806) have been pledged as security of the related bank borrowings (Note 14).

In 2021, the net gain/loss from fair value adjustments on investment properties consist of unrealised gains of KEUR 289,429 (2020: KEUR 181,427) and unrealised losses of KEUR 6,869 (2020: KEUR 17,313).

Properties under development amount to KEUR 467,710 (2020: KEUR 600,242) of which KEUR 381,728 (2020: KEUR 567,703) measured at fair value and KEUR 85,982 (2020: KEUR 32,540) measured at cost. Standing assets amount to KEUR 1,361,348 (2020: KEUR 609,898) of which KEUR 1,341,607 (2020: KEUR 589,333) are measured at fair value and KEUR 19,740 (2020: KEUR 20,565) measured at cost.

One of the assets in the investment portfolio is categorized as inventory KEUR 7,373 (2020: KEUR 5,595). It is a residential built-to-sell project with apartment units being sold.

As at December 31, 2021, the Fund has recognised land leases in accordance with IFRS 16 as both leasehold assets and leasehold liabilities an amount of KEUR 17,615 (2020: KEUR 32,490). The Fund has applied an average incremental borrowing rate of 2.0 %.

Valuation Processes
The Fund's property portfolio was valued by independent professionally qualified valuers, who hold a recognized relevant professional qualification and have recent experience in the locations and segments of the investment properties valued, on the basis of fair value in accordance with the RICS Valuation Professional Standards, published by the Royal Institute of Chartered Surveyors. Valuations were prepared by Cushman & Wakefield and Colliers In estimating the fair value of the properties, the Manager considers that the highest and best use of the properties is their current use.

The fair value of the properties has been determined on discounted cash flows using equivalent yields between 4.25% and 8.0% (2020: 4.25% and 8.5%). These inputs include:

Future rental cash inflows	based on the actual location, type and quality of the properties and supported by the terms of any existing lease, other contracts or external evidence such as current market rents for similar properties;
Discount rates	reflecting current market assessments of the uncertainty in the amount and timing of cash flows;
Estimated vacancy rates	based on current and expected future market conditions after expiry of any current lease;

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Maintenance costs	including necessary investments to maintain functionality of the property for its expected useful life;
Capitalisation rates	based on actual location. size and quality of the properties and taking into account market data at the valuation date;
Terminal value	taking into account assumptions regarding maintenance costs, vacancy rates and market rents.

For the properties under construction with significant uncertainty to the future cash inflows the fair value cannot be reliably determined and thus these properties are valued at cost. The fair value of these properties under construction is expected to be reliably determined at later stage of construction. As at December 31, 2021, assets classified as property under construction are measured at fair value amounting to KEUR 381,728 (2020: KEUR 567,703). None of these properties have been classified as asset held for sale. Properties under construction where fair value cannot be reliably determined, with a total carrying amount of KEUR 85,982 (2020: KEUR 32,540), are therefore carried at cost as at year end. At the time when fair value can be measured reliably the valuation is based on a Discounted Cash Flow (DCF) model taking into account the following estimates (in addition to the inputs noted above):

Costs to complete	these are based on internal budgets developed by the Fund's finance department, based on management's experience and knowledge of market conditions.
Completion dates	properties under construction require approval or permits from oversight bodies at various points in the development process, including approval or permits in respect of initial design, zoning, commissioning, and compliance with environmental regulations. Based on management's experience with similar developments, all relevant permits and approvals are expected to be obtained. However, the completion date of the development may vary depending on, among other factors, the timeliness of obtaining approvals and any remedial action required by the Fund.

The following table visualizes the effect on value of the properties in the Fund in response to the variation in market rents of all Fund properties measured at fair value by up to -10% / +10% and the variation of the market yields of all Fund objects up to -0.5% / + 0.5%:

2021

[redacted]	Value of portfolio (EUR '000)				
[redacted]	-50	-25	0	25	50
[redacted]	1,871,678	1,791,951	1,723,335	1,663,982	1,611,478
[redacted]	-10%	-5%	0%	5%	10%
[redacted]	1,586,931	1,655,156	1,723,335	1,792,148	1,860,923

2020

[redacted]	Value of portfolio (EUR '000)				
[redacted]	-50	-25	0	25	50
[redacted]	1,277,083	1,232,173	1,193,146	1,157,231	1,125,628
[redacted]	-10%	-5%	0%	5%	10%
[redacted]	1,112,744	1,152,632	1,193,146	1,333,477	1,409,004

The table shows, for example, that a reduction in market rents by 10% reduces the portfolio value by 7.9% (2020: 6.9%). Furthermore, an increase in the market yield 0.5% would reduce the value by 6.5% (2020: 5.8%).

Variation of rental growth: rental growth mainly depends on the contractual agreement and on the development of the underlying index. Based on the current portfolio main lease contracts are either index linked following CPI in the relevant country or follow market rent movements. The same principle also applies for estimated rental values. The existing portfolio has therefore been divided into sub-portfolios (residential and retail). A qualitative approach assumes amended index assumptions throughout the sub-portfolios.

Risk adjusted yield rates: risk adjusted yield rates are affected by risk free base rates, availability of debt and alternative investment options, real estate investment opportunities and macroeconomic market trends. It would not be possible to reliably interpret such matrices. It therefore makes more sense to assume a portfolio wide yield shift in order to identify the volatility of the carrying value in relation to this input assumption.

12. Derivative Financial Instruments

	2021 Notional Amount EUR ('000s)	 Fair value EUR ('000s)
Interest rate swap - fixed rate borrowings	-	-
Total Non-current Derivative Liabilities	-	-
Interest rate swap - fixed rate borrowings	273,872	87
Total Current Derivative Liabilities	**273,872**	**87**

	2020 Notional Amount EUR ('000s)	 Fair value EUR ('000s)
Interest rate swap - fixed rate borrowings	182,490	(1,169)
Total Non-current Derivative Liabilities	**182,490**	**(1,169)**
Interest rate swap - fixed rate borrowings	-	-
Total Current Derivative Liabilities	-	-

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

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	EUR ('000s)
Fair value at December 31, 2019	**(292)**
Revaluations recognised in the Consolidated Statement of Other Comprehensive Income	(853)
F/X Effect	(24)
Fair value at December 31, 2020	**(1,169)**
Revaluations recognised in the Consolidated Statement of Other Comprehensive Income	**1,286**
F/X Effect	(29)
Fair value at December 31, 2021	**87**

13. Trade and Other Receivables

	Year ended December 31, 2021 EUR ('000s)	Year ended December 31, 2020 EUR ('000s)
Rent and service charges receivable	5,868	5,886
Taxes receivable	968	863
VAT receivable	4,017	9,274
Other receivables	8,588	4,902
Total Trade and other receivables	**19,441**	**20,925**

Rent and service charges receivables consist of receivables from tenants for leases and non-lease items. Deposits refundable to tenants may be withheld by the Fund in part or in whole if receivables due from the tenant are not settled. Other receivables include KEUR 4,171 receivable from a tenant for tenant requested additional construction works.

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

Receivables from rent and services charges are written off when they are assessed as uncollectible.

	2021 EUR ('000s)	2020 EUR ('000s)
Current	3,803	4,442
1-30 days past due	1,439	618
31-60 days past due	214	141
61-120 days past due	229	6
More than 120 days past due	183	679
Total	**5,868**	**5,886**

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

14. Borrowings

Details of borrowings as at December 31, 2021 consist of:

Non-current	2021 EUR ('000s)	2020 EUR ('000s)
Borrowings	582,276	475,731
Finance Costs (net of amortization)	(566)	(1,303)
Total Non- Current Borrowings	**581,710**	**474,428**
Current		
Borrowings	246,181	153,990

Finance Costs (net of amortization)	(3,233)	(160)
Total Current Borrowings	**242,948**	**153,830**
Total Borrowings	**824,658**	**628,258**

Details of borrowings per type of facility

	2021 EUR ('000s)	2020 EUR ('000s)
Mortgage	770,247	539,961
Revolving Credit Facility	58,210	89,760
Finance Costs (net of amortization)	(3,799)	(1,463)
Total Borrowings	**824,658**	**628,258**

The movement in the debt borrowings is described as follows:

	EUR ('000s)
At December 31, 2019	**359,761**
Additional Borrowings	413,269
Repaid Borrowings	(155,242)
Capitalization of arrangement fee	(363)
Amortization of capitalized arrangement fee	2,089
Effect of translation to presentation currency	8,744
At December 31, 2020	**628,258**
Additional Borrowings	312,319
Repaid Borrowings	(108,186)
Capitalization of arrangement fee	(3,125)
Amortization of capitalized arrangement fee	626
Effect of translation to presentation currency	(5,234)
At December 31, 2021	824,658

As at December 31, 2021 the range of variable interest rates on the bank borrowings was 4.70% (2020: 4.75%). Accrued interest as at December 31, 2021 amounts to KEUR 2,440 (2020: KEUR 1,735). Bank borrowings are secured by KEUR 1,734,741 (2020: KEUR 1,158,806) of investment property (Note 11).

Loan agreements that the Fund has entered into have various covenants such as loan-to-value (LTV), interest coverage ratio (ICR), and debt-service coverage ratio (DSCR). Most commonly used covenant is however the LTV. The Fund is not in breach of any covenants as of December 31, 2021.

15. Trade and Other Payables

	2021 EUR ('000s)	2020 EUR ('000s)
Trade Payables	21,685	20,025
Property Tax Payable	-	450
VAT Payable	1,243	-
Accruals	9,587	17,345
Total Trade and other payables	**32,515**	**37,820**

The accrued costs are mainly related to accrued legal expenses in relation to transactions, accounting services and accrued interest.

16. Loans to Associates and Joint Ventures

Loans to associates and joint ventures consist of three loans.
The Fund's overall policy for managing credit risk is described in Note 4.3.

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Lender	Borrower	2021 ('000s)	2020 ('000s)	Maturity	Interest
NREP Nordic Strategies Fund III LP	Wallin Bostadsutveckling AB	-	7 528	05-nov-28	12.00%
NREP NSF III Holding 1	NSF III Tetris Projects K/S	35 643	21 291	2-May-28	10.00%
NSF 3 Sweden Holding 6 AB	SHHNREP Invest AB	-	2 029	28-Aug-29	8.00%
NREP Nordic Strategies Fund III LP	Keskustakorttelin Asunnot Ky	-	1 601	24-Jun-21	1.50%
NREP NSF III Holding 2	Plushusene	14 676	1 341	26-Feb-30	8.00%
Total Loans to joint ventures		**50 319**	**33 790**		
NREP NSF III Holding 2	AVIA Real Estate Oy	**12 234**	**6 853**	31-Jan-28	7.66%
Total Loans to associates		**12 234**	**6 853**		
NREP NSF III Holding 2	Byggnadsfirman Erik Wallin AB	-	6 190		
Total Third party loans		-	**6 190**		
Total loans to associates and joint ventures		**62 553**	**46 833**		

17. Related Parties

The promoter of the Fund is NREP NSF III Investment S.à r.l.. The parent company of Nordic Strategies Fund III GP S.à r.l. is NREP A/S (incorporated in Denmark), which holds nil interest in the Fund. The remaining 100% (2020: 100%) of the Fund's units are held by unrelated parties.

As of December 31, 2021. The Fund's related parties are presented as following:

Joint Ventures:
Keskustakorttelin asunnot Ky
Wallin Bostadsutveckling AB
Skoleveien 2 Holding AS
Tetris Holding K/S & Tetris Holding GP ApS
SHHNREP Invest AB
Plushusene 3 K/S

Associates:
AVIA Real Estate Oy

Board of Managers of the General Partner:
Mr Claes-Johan Geijer
Mr Mark Houston
Bo Holse Rasmussen

Management Companies:
NREP A/S
NREP Oy
NREP AS
NREP AB
NREP Management Company S.á.r.l
Nordic Strategies Fund III GP S.á.r.l.

18. Related Party Transactions

Under the terms of the Management Agreement, the Fund pays the General Partner, Nordic Strategies Fund III GP S.à r.l. or other NREP affiliates, a fund management fee amounting to 1.5% on Adjusted Commitments. For the year ended December 31, 2021, fund management fees of KEUR 11,499 (2020: KEUR 13,859) were incurred. The management fees included in the statement of comprehensive income include also non-deductible VAT and partner management fees. The Fund has been charged a total of KEUR 3,629 in 2021 (2020: KEUR 3,033) by the management companies relating to services outside ordinary fund management fee which would have otherwise been provided by third party service providers.

Regarding transactions with JV's and associates please refer to note 5 and note 9 for finance income on Loans to associates and joint ventures, where this is stipulated.

19. Commitments and Contingent Liabilities

As at December 31, 2021, the Board had approved KEUR 201,065 (2020: KEUR 405,671) of future expenditure for the purchase, construction, development and enhancement of investment property. The entire amount is contractually committed with reservation for actual development cost and currency impact. The majority of this expenditure is expected to be spent by the end of 2023. The future expenditure contains two Swedish forward purchase transactions which the Fund is expected to close in Q1 2022.

20. Other Current Liabilities

	2021 EUR ('000s)	2020 EUR ('000s)
Deferred Purchase price	55,088	1,579
Other current liabilities	889	7,998
Total Other Current Liabilities	**55,977**	**9,577**

Other current liabilities include deferred purchase price KEUR 34,854 of forward purchase acquisition of Bonava Förseglet project that was paid in February 2022 and deferred land purchase price KEUR 19,678 that will be paid in tranches for project UN17 by the end of 2022.

21. Non-Current Liabilities

Non-Current Liabilities as at 31 December 2021 amounted to KEUR 7,812 (2020: KEUR 13.158). Tax risk provisions are included in the non-current liabilities. During the year the Fund has repaid a loan to an associate partner for the purpose of financing construction costs.

22. Other Operating Income

Other Operating income consists of reinvoiced ad-hoc costs from tenants.

23. Subsequent Events

After year-end, the Fund has acquired a residential forward purchase asset Project Ultuna through a share deal acquisition (KEUR 1,416) of Besqab Bostadsmark XIX AB in Sweden on February 28th, 2022. The Fund made a capital call of KEUR 60,000 from the investors on January 7th, 2022.

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Except for the subsequent events already disclosed in the financial statements no other subsequent events occurred outside the normal course of business of the Fund after December 31, 2021.

24. Carried interest

Carried interest is the Managers share of the realized profits of the Fund once all other Partners have received their share. As the Fund has met the performance condition set out in the LPA, the Fund recognizes a financial liability based on the fair values of its assets at the balance sheet date, as if investments were realizable at these fair values. The Fund's carried interest is equal to the hypothetical share of profits, taking into account the cash already distributed from the Partnership and amount of divestment proceeds receivable. Carried interest is paid in accordance with the distribution arrangements set out in the LPA. If applicable, carried interest is credited back to the statement of comprehensive income for any potential clawback of previously paid or accrued carried interest, based on the investments as if they were realized at their fair values.

	2021 EUR ('000s)	2020 EUR ('000s)
Carried Interest net at 1 January	25,018	4,963
Carried Interest expense	52,119	20,055
Carried Interest net at 31 December	**77,137**	**25,018**

25. Group Entities

Company Name	Ownership %	Scope of Consolidation	Country
Aktiivi Hallikiinteistöt Oy	100%	Full	FI
Aktiivi Hallisijoitus Oy	100%	Full	FI
Aktiivi Hallitilat Oy	100%	Full	FI
Aktiivi Varastot Oy	100%	Full	FI
Aktiivi Varastotilat Oy	100%	Full	FI
Aktiivihallit Ky	100%	Full with minority share	FI
Ångtvätten 16 Fastighets AB	100%	Full	SE
As Oy Äänekosken Honkarinne	26%	Joint Operations	FI
As Oy Espoon Tuomarilan Kesäpiha	100%	Full	FI
As Oy Hämeenlinnan Aurinkoaitta	70%	Joint Operations	FI

As Oy Haminan Pajuranta	41%	Joint Operations	FI
As Oy Helsingin Kalliolanrinne 4	100%	Full	FI
As Oy Joensuun Alppiruusu	100%	Full	FI
As Oy Joensuun Kevätkoivu	100%	Full	FI
As Oy Joensuun Pihlajapiha	100%	Full	FI
As Oy Joensuun Ruispelto	100%	Full	FI
As Oy Joensuun Silkkiunikko	92%	Joint Operations	FI
As Oy Jyväskylän Kruununpää	100%	Full	FI
As Oy Jyväskylän Päiväranta	96%	Joint Operations	FI
As Oy Kuopion Haukilahti	100%	Full	FI
As Oy Kuopion Lakeissuontie 5	97%	Full with minority share	FI
As Oy Oulun Kolumbus	100%	Full	FI
As Oy Oulun Vaahterajuuri	100%	Full	FI
As Oy Rovaniemen Kultaviiri	70%	Joint Operations	FI
As Oy Rovaniemen Rubiini	100%	Full	FI
As Oy Rovaniemen Tähtisäde	80%	Full	FI
As Oy Tornion Rantaraitti	6%	Joint Operations	FI
As Oy Vantaan Lintukoto	65%	Joint Operations	FI
Asunto Oy Espoon Leppävaaran Atleetti	100%	Full	FI
Asunto Oy Helsingin Kommodori	100%	Full	FI
Asunto Oy Tampereen Haukiluoman Kivikerkkä	100%	Full	FI

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Asunto Oy Tampereen Lielahden Tuuli	**100%**	**Full**	**FI**
Asunto Oy Vantaan Martinlaakson Mestari	**100%**	**Full**	**FI**
Asunto Oy Vantaan Martinlaakson Voitto	**100%**	**Full**	**FI**
Asunto Oy Vantaan Tikkurilan Ensimmäinen	4%	Equity-method (Joint Ventures and associates)	FI
Asunto Oy Vantaan Tikkurilan Kolmas	50%	Equity-method (Joint Ventures and associates)	FI
Asunto Oy Vantaan Tikkurilan Mainio	100%	Full	FI
Asunto Oy Vantaan Tikkurilan Verraton	100%	Full	FI
Asunto Oy Vantaan Tikkurilan Viides	31%	Equity-method (Joint Ventures and associates)	FI
Bonava Xena Ett AB	100%	Full	SE
CareReal NSF III Falkenberg 1 AB	100%	Full	SE
CareReal NSF III Huddinge 1 AB	100%	Full	SE
Carereal NSF III Löddeköpinge 1	100%	Full with minority share	SE
CareReal NSF III Norrtälje 1 AB	100%	Full	SE
Carereal NSF III Sölvesborg 1 AB	100%	Full	SE
CareReal NSF III Sweden Holding 1 AB	100%	Full	SE
CareReal NSF III Sweden Holding 20 AB	100%	Full	SE
CareReal NSF III Sweden Holding 3 AB	100%	Full	SE
CareReal NSF III Sweden Holding 6 AB	100%	Full	SE
Distreal NSF III Bålsta 2 AB	100%	Full	SE

Distreal NSF III Brøndby ApS	**100%**	**Full**	**DK**
Distreal NSF III Eskilstuna 1 AB	**100%**	**Full**	**SE**
Distreal NSF III Helsingborg 1 AB	**100%**	**Full**	**SE**
Distreal NSF III LOG Køge 1 ApS	**100%**	**Full**	**DK**
Distreal NSF III LOG Køge 2 ApS	**100%**	**Full**	**DK**
Distreal NSF III LOG Køge 3 ApS	**100%**	**Full**	**DK**
Distreal NSF III Landskrona 1 AB	**100%**	**Full**	**SE**
Distreal NSF III Odense ApS	**100%**	**Full**	**DK**
Distreal NSF III Stockholm 1 AB	**100%**	**Full**	**SE**
Distreal NSF III Stockholm 2 AB	**100%**	**Full**	**SE**
Distreal Stockholm Holding AB	**100%**	**Full**	**SE**
Hervannan Liikekeskus Oy	**100%**	**Full with minority share**	**FI**
Huber Holding Ky	**100%**	**Full**	**FI**
Juli Alppiharjun Kalliolanrinne GP Oy	**100%**	**Full**	**FI**
Juli Alppiharjun Kalliolanrinne Ky	**100%**	**Full**	**FI**
Juli Haukiluoman Kivikerkkä GP Oy	**100%**	**Full**	**FI**
Juli Haukiluoman Kivikerkkä Ky	**100%**	**Full**	**FI**
Juli Jätkäsaaren Kommodori GP Oy	**100%**	**Full**	**FI**
Juli Jätkäsaaren Kommodori Ky	**100%**	**Full**	**FI**
Juli Leppävaaran Atleetti GP Oy	**100%**	**Full**	**FI**
Juli Leppävaaran Atleetti Ky	**100%**	**Full**	**FI**
Juli Lielahden Tuuli GP Oy	**100%**	**Full**	**FI**

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Juli Lielahden Tuuli Ky	100%	Full	FI
Juli Martinlaakson Mestari GP Oy	100%	Full	FI
Juli Martinlaakson Mestari Ky	100%	Full	FI
Juli Martinlaakson Voitto GP Oy	100%	Full	FI
Juli Martinlaakson Voitto Ky	100%	Full	FI
Juli Tikkurilan Verraton GP Oy	100%	Full	FI
Juli Tikkurilan Verraton Ky	100%	Full	FI
Kauppakeskus Arabia GP Oy	100%	Full	FI
Kauppakeskus Arabia Ky	100%	Full	FI
Kauppakeskus Duo GP Oy	100%	Full	FI
Kauppakeskus Duo Ky	100%	Full	FI
Keskustakorttelin Asunnot GP Oy	100%	Full	FI
Keskustakorttelin Asunnot Ky	50%	Full	FI
Kiinteistö Oy Bölenraitti	100%	Full	FI
Kiinteistö Oy Hankkionkatu 8	100%	Full	FI
Kiinteistö Oy Helsingin Hämeentie 109-111	100%	Full	FI
Kiinteistö Oy Helsingin Mekaanikonkatu 5	100%	Full	FI
Kiinteistö Oy Juvan Teollisuuskatu 15 (MREC)	100%	Full	FI
Kiinteistö Oy Keravan Ahjonkaarre 1	100%	Full	FI
Kiinteistö Oy Koskelonportti	100%	Full	FI
Kiinteistö Oy Leveämäenkuja 4	100%	Full	FI
Kiinteistö Oy Martinkruunu	100%	Full	FI
Kiinteistö Oy Tampereen Hermanni	100%	Full	FI

Kiinteistö Oy Tupakkikiven Parkki Oy	17%	Equity-method (Joint Ventures and associates)	FI
Kiinteistö Oy Tuusulan Louhostie 2 (MREC)	100%	Full	FI
Kiinteistö Oy Vantaan Tiilenpolttajankuja 4	100%	Full	FI
Komplementarselskabet Logicenters NSF III ApS	100%	Full	DK
Komplementarselskabet Plushusene 3 ApS	50%	Equity-method (Joint Ventures and associates)	DK
Koy Espoon Mikkelänkallio 5	100%	Full	FI
Koy Hyttimestarintie 6 (MREC)	100%	Full	FI
Koy Karhuntassuntie 3	100%	Full	FI
Koy Raappavuorentie 6	100%	Full	FI
Koy Robert Huberin tie 16	100%	Full	FI
Koy Tampereen Mäntyhaantie 8	100%	Full	FI
Koy Tampereen Teerivuorenkatu 5	100%	Full	FI
Kuopion Metsäkumpu Oy	100%	Full	FI
Logicenters NSF III K/S	100%	Full	DK
Majakkalahden Kiinteistöt Ky	100%	Full	FI
Nivåvej, Nivå - del 4 ApS	50%	Equity-method (Joint Ventures and associates)	DK
NREP Finnish Strategies Fund FCP-RAIF	100%	Full	LUX
NREP NSF 3 Sweden Holding 11 AB	100%	Full	SE
NREP NSF 3 Sweden Holding 12 AB	100%	Full	SE
NREP NSF 3 Sweden Holding 13 AB	100%	Full	SE

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NREP NSF III Holding 1 S.à .r.l	100%	Full	LUX
NREP NSF III Holding 2 S.à .r.l	100%	Full	LUX
NREP NSF III ResiHolding S.à .r.l	100%	Full	LUX
NREP Properties Oy	100%	Full	FI
NSF 3 Sweden Advisory AB	100%	Full	SE
NSF 3 Sweden Holding 12A AB	100%	0%	SE
NSF 3 Sweden Holding 3A AB	100%	Full	SE
NSF 3 Sweden Holding 5 AB	100%	Full	SE
NSF 3 Sweden Holding 8 AB	100%	Full	SE
NSF III Den Siljangade ApS	100%	Full	DK
NSF III Den Siljangade Holding ApS	100%	Full	DK
NSF III Denmark Advisory AS	100%	Full	DK
NSF III Embla Staldhusene K/S	100%	Full	DK
NSF III Fin 1 GP Oy	100%	Full	FI
NSF III Fin 11 GP Oy	100%	Full	FI
NSF III Fin 11 Ky	100%	Full	FI
NSF III Fin 16 GP Oy	100%	Full	FI
NSF III Fin 16 Ky	100%	Full	FI
NSF III Fin 17 GP Oy	100%	Full	FI
NSF III Fin 17 Ky	100%	Full	FI
NSF III Fin 18 GP Oy	100%	Full	FI
NSF III Fin 18 Ky	100%	Full	FI
NSF III Fin 19 GP Oy	100%	Full	FI
NSF III Fin 19 Ky	100%	Full	FI
NSF III Fin 23 GP Oy	100%	Full	FI
NSF III Fin 23 Ky	100%	Full	FI
NSF III Fin 27 GP Oy	100%	Full	FI
NSF III Fin 27 Ky	100%	Full	FI
NSF III Fin 28 GP Oy	100%	Full	FI
NSF III Fin 28 Ky	100%	Full	FI

NSF III Fin 29 GP Oy	100%	Full	FI
NSF III Fin 29 Ky	100%	Full	FI
NSF III Fin 3 GP Oy	100%	Full	FI
NSF III Fin 3 Ky	100%	Full	FI
NSF III Fin 30 GP Oy	100%	Full	FI
NSF III Fin 30 Ky	100%	Full	FI
NSF III Fin 5 GP Oy	100%	Full	FI
NSF III Fin 6 GP Oy	100%	Full	FI
NSF III Fin 6 Ky	100%	Full	FI
NSF III Fin 7 GP Oy	100%	Full	FI
NSF III Fin 7 Ky	100%	Full	FI
NSF III Fin 8 GP Oy	100%	Full	FI
NSF III Fin NewCo 31 Oy	100%	Full	FI
NSF III Finland Advisory Oy	100%	Full	FI
NSF III Komplementarselskabet Embla Staldhusene Ap	100%	Full	DK
NSF III Lilletorv A/S	100%	Full	DK
NSF III Lilletorv Holding ApS	100%	Full	DK
NSF III NPARK AB	100%	Full	SE
NSF III Penta Holding ApS	100%	Full	DK
NSF III Skoleveien 2 HoldCo Norway AS	100%	Full	NO
NSF III Sweden Logistics Holding AB	100%	Full	SE
NSF III UMEUS Frydenlund Holding ApS	100%	Full	DK
NSF III UN17 Village Holding 1 ApS	100%	Full	DK
NSF III UN17 Village Holding 2 ApS	100%	Full	DK
Plushusene 3 K/S	50%	Equity-method (Joint Ventures and associates)	DK
Plushusene 4 Holding ApS	50%	Equity-method (Joint Ventures and associates)	DK

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Plushusene 5 ApS	50%	Equity-method (Joint Ventures and associates)	DK
Plushusene 5 Holding ApS	50%	Equity-method (Joint Ventures and associates)	DK
Plushusene 6 ApS	50%	Equity-method (Joint Ventures and associates)	DK
Plushusene 6 Holding ApS	50%	Equity-method (Joint Ventures and associates)	DK
Plushusene 7 ApS	50%	Equity-method (Joint Ventures and associates)	DK
Plushusene 7 Holding ApS	50%	Equity-method (Joint Ventures and associates)	DK
Plushusene 8 Holding ApS	50%	Equity-method (Joint Ventures and associates)	DK
Kiinteistö Oy Vantaanpuistontie 31	100%	Full	FI
Retreal Aarhus 4 ApS	100%	Full	DK
RetReal NSF III Vesterbro ApS	100%	Full	DK
Skovly Vænget ApS	100%	Full	DK
Tetrep Woods Sub-Holding Titanhus K/S	100%	Full	DK
Tetrep Woods Sub-Holding Titanhus Komplementar ApS	100%	Full	DK
Tikkurilan Keskustakorttelin Pysäköinti Oy	42%	Equity-method (Joint Ventures and associates)	FI

Titanhus ApS	100%	Full	DK
Tvålen 4 Fastighets AB	100%	Full	SE
Tvålen 7 Fastighets AB	100%	Full	SE
Unikkotien Pysäköinti Oy	100%	Full	FI
Vantaan Kirkkokortteli 2 Oy	100%	Full	FI
Vartiokylän kehitys GP Oy	100%	Full	FI
Vartiokylän kehitys Ky	100%	Full	FI
Wallin Bostadsutveckling AB	50%	Equity-method (Joint Ventures and associates)	SE
Woods Office Holding Komplementar ApS	100%	Full	DK
Woods Office Holding KS	100%	Full	DK
Woods Office Ørestad ApS	100%	Full	DK
Woods Office Sub-Holding Komplementar ApS	100%	Full	DK
Woods Office Sub-Holding KS	100%	Full	DK

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NREP NORDIC STRATEGIES FUND III LIMITED PARTNERSHIP

26. INREV NAV

The Board of Managers of the General Partner of the Fund has assessed all adjustments required by INREV Guidelines. The adjustments presented below are the ones applicable to the Fund:

	As at 31 December 2021 EUR ('000s)
IFRS Net Asset Value	958,244
Fair value of assets and liabilities	
Fund set-up costs (i)	313
Acquisition expenses (ii)	5,710
Revaluation to fair value of financial assets and liabilities (iii)	(791)
Effects of the expected manner of settlement of sales/fund unwinding	
Revaluation of tax effect of INREV NAV adjustments (iv)	88,258
Total INREV Net Asset Value	**1,051,734**

(i) Fund set-up costs

The Fund set up costs are expensed immediately in the consolidated statement of comprehensive income under IFRS. In INREV, such costs should be capitalised and amortised over the first five years of incurring the cost in order to better reflect the duration of the economic benefits of the investment. From time to time invoices are incurred after set up relating to amending the founding documents.

The adjustment represents the impact on the IFRS NAV of the capitalisation and amortisation of fund set up costs over the first five years.

	As at 31 December 2021 EUR('000)
Balance at the beginning of the year	**602**
Additions	-
Amortisation	(289)
Balance at the end of the year	**313**

(ii) Acquisition expenses

The Fund acquisition expenses are expensed immediately in the consolidated statement of comprehensive income under IFRS. In INREV, such costs should be capitalised and amortised over the first five years of the term of the investment in order to better reflect the duration of the economic benefits of the investment.

The adjustment represents the impact on the IFRS NAV of the capitalisation and amortisation of acquisition expenses over the first five years.

	As at 31 December 2021 EUR('000)
Balance at the beginning of the year	**4,855**
Additions	2,174
Amortisation	(1,319)

Balance at the end of the year	5,710

(iii) **Revaluation to fair value of financial assets and liabilities**

The external debt obligations are carried at amortised cost. In accordance with INREV, the loans are fair valued. Management's assessment is generally that the only loans with a significant impact are those with fixed rate debt, older than 6 months from the year end. The Fund has only one fixed rate borrowing older than 6 months and fair valuing the borrowing has a KEUR -791 impact on the INREV NAV.

(iv) **Revaluation of tax effect of INREV NAV adjustments**

The deferred tax assets and liabilities are measured in the consolidated financial statements at the nominal statutory tax rate (between 20% and 25% per Note 10). The manner in which the Fund expects to settle deferred tax is generally not taken into consideration.

The adjustment represents the impact on the INREV NAV of the difference between the amount determined in accordance with IFRS and the estimate of deferred tax which takes into account the expected manner of settlement (i.e., when tax structures and the intended method of disposals or settlement of assets and liabilities have been applied to reduce the actual tax liability). Management have assessed the discounts based on extensive market knowledge of recent transactions by country on the exit expected (share sales).

The nominal tax rate is between 20% and 25% (see Note 10). This deferred tax liability relates to the revaluation of the investment property. The vehicle is structured as a tax neutral structure. All investment properties are held by special purpose vehicles ("SPVs"). Management's strategy is to sell all properties through the sale of the shares in the relevant SPVs.

The taxable differences adjustment under IFRS includes the initial tax exemption however under INREV this effect is excluded.

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NREP NORDIC STRATEGIES FUND III LIMITED PARTNERSHIP

Alternative Investment Fund Manager

The Alternative Investment Fund Manager of the Fund is NREP AB. NREP AB has a license as an Alternative Investments Fund Manager and thus is licensed to perform fund management operations under the Swedish Chapter 3 Section 1 Alternative Investment Fund Managers Act (2013:561) (the "AIFM Act"). NREP AB is under the supervision of the Swedish Financial Supervisory Authority ("Finansinspektionen"). NREP AB is focused on seeking investments within the Nordic region. Through its affiliated companies. NREP AS and NREP Oy. NREP AB maintains local presence and offices in Sweden, Denmark, Norway, Luxembourg and Finland. AIFM operations are however only conducted in NREP AB.

The remuneration policy of the AIFM is comprised of a fixed and variable part of which the variable is linked to both the AIFM´s performance as well as the individual performance. In addition to this. certain individuals might be entitled to back-ended variable remuneration based on the fund's performance.

	Total Remuneration	**NREP NSF III proportion***
NREP AIFM staff	**EUR ('000s)**	**EUR ('000s)**
Fixed remuneration	7,047	1,897
Variable remuneration	1,923	518
Average number of personnel	77	21

** Prorata of Fund's Assets under Management of the AIFM*

Investment Committee

Rune Kock
Jani Nokkanen
Rickard S. Dahlberg

Administrator. Registrar and Transfer Agent

Brown Brothers Harriman (Luxembourg) S.C.A.
Brown Brothers Harriman (Luxembourg) S.C.A. is a licensed Luxembourg bank, subject to the regulation of the Luxembourg regulatory authority, the Commission de Surveillance du Secteur Financier ("CSSF"). BBH Luxembourg is a wholly owned subsidiary of Brown Brothers Harriman & Co.

NREP NORDIC STRATEGIES FUND III LIMITED PARTNERSHIP

Management and Advisors

General Partner

NREP Nordic Strategies Fund III GP S.à r.l.
16-18 Boulevard Royal
L-2449 Luxembourg
Grand Duchy of Luxembourg

AIFM

NREP AB
Regeringsgatan 25, 11th floor
103 95 Stockholm
Sweden

Legal Adviser

Goodwin Procter (UK) LLP
100 Cheapside, London
EC2V 6OY
United Kingdom

Valuers to the Fund

Cushman & Wakefield
Stockholm
Sweden

Cushman & Wakefield
Helsinki
Finland

Colliers
Copenhagen
Denmark

Legal Adviser in Luxembourg

Elvinger, Hoss & Prussen
2, Place Winston Churchill
L-1340 Luxembourg
Grand Duchy of Luxembourg

Central Administration Agent
Brown Brothers Harriman (Luxembourg) S.C.A.
80, route d'Esch
L-1470 Luxembourg
Grand Duchy of Luxembourg

Board of Managers of the General Partner

Claes-Johan Geijer
From: November 27, 2017

Board of Managers of the General Partner (cont.)

Mark Houston
From: November 27, 2017

Bo Holse Rasmussen
From: January 8, 2019

Board of Directors of the AIFM

Rickard Svensson-Dahlberg (Chairman)
Henrik Engsner (Independent)
Gustaf Lilliehöök

Depository and Paying Agent

Brown Brothers Harriman (Luxembourg) S.C.A.
80, route d'Esch
L-1470 Luxembourg
Grand Duchy of Luxembourg

Auditor of the Fund

PricewaterhouseCoopers Société coopérative
2, rue Gerhard Mercator B.P. 1443
L-1014 Luxembourg
Grand Duchy of Luxembourg

Tax Advisor of the Fund

PricewaterhouseCoopers S.à r.l.
2, rue Gerhard Mercator B.P. 1443
L-1014 Luxembourg
Grand Duchy of Luxembourg

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Audit report

To the Partners of
NREP Nordic Strategies Fund III Limited Partnership

Our opinion

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

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of net assets as at 31 December 2021;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in net assets for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Group 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. We have fulfilled our other ethical responsibilities under those ethical requirements.

Other information

The General Partner is responsible for the other information. The other information comprises the information stated in the annual report but does not include the consolidated financial statements and our audit report thereon.

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

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In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above 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 that fact. We have nothing to report in this regard.

Responsibilities of the General Partner for the consolidated financial statements

The General Partner is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the General Partner 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 General Partner is responsible for assessing the Group'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 General Partner either intends to liquidate the Group 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

The objectives of our audit 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 an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 scepticism 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;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the General Partner;

- conclude on the appropriateness of the General Partner's 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report 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 audit report. However, future events or conditions may cause the Group 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 Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

PricewaterhouseCoopers, Société coopérative
Represented by

Electronically signed by:
Alessio Chiesa

Alessio Chiesa

Luxembourg, 13 May 2022