

Unofficial translation

FINANCIAL STATEMENTS & ANNUAL REPORT
31 DECEMBER 2023

CapMan
Nordic Property Income Fund (non-UCITS)

Business ID: FI28436367

FINANCIAL STATEMENTS AND ANNUAL REPORT 31 December 2023

Annual report	1-7
Fund's basic information	8
Income statement, group	9
Balance sheet, group	10
Income statement, parent company	11
Balance sheet, parent company	12
Consolidated accounting principles	13
Notes to the financial statement	14-18
List of accounting books used	19
Signatures to the financial statement and the annual report	20
Auditors' closing entry	20
Appendices	
- Auditor's report	
- Sustainable Finance Disclosure Regulation (SFDR)	

CAPMAN NORDIC PROPERTY INCOME FUND (non-UCITS)
ANNUAL REPORT FROM FINANCIAL PERIOD 1 JANUARY 2023 – 31 DECEMBER 2023

CapMan Nordic Property Income Fund (non-UCITS) (hereinafter 'Fund') is a non-UCITS fund as defined in the Act on Common Funds (Finlex 48/1999), which mainly invests in real estate and real estate securities. The Fund started its operations on 5 December 2017. The Fund is an alternative investment fund as defined in the Act on Alternative Investment Funds' Managers (Finlex 162/2014). The Fund is managed by CapMan AIFM Oy ('Alternative Investment Fund Manager').

The Fund's goal is to provide sufficient long-term risk-adjusted returns for its unitholders. The assets of the Fund are primarily invested, directly or indirectly, into real-estate investments located in Finland, Sweden, Denmark, and Norway. The Fund strives to generate income primarily from the rental income of the properties owned by it directly or indirectly, the appreciation of property values, and realised profit. The Fund may attempt to generate additional returns by investing in construction and real estate development projects directly or indirectly.

Key figures and material events during the financial year

2023 returns and portfolio composition at the end of the financial year

As per 31 December 2023, the Fund's investments are ten fully owned real estate assets and a share of a diversified portfolio. The investments are located in the Nordics. In euros, 42 % of the real estates' market value (INREV) is located in Finland, 29 % in Sweden and 29 % in Denmark. The market value of real estate assets (INREV) is divided based on the real estate type as follows:

- 34 % warehouse and logistic properties
- 34 % office properties
- 32 % beds and niche living properties

The total rentable surface area of the real estate assets is c. 59,600 m² and with c. 50 tenants at year-end. The Fund's average lease maturity was about 5.4 years.

The market value of the Fund's real estate portfolio decreased by 19.3 % during 2023 taking into account the executed transactions (one property was disposed during the year). The comparable like-for-like value change of the real estate investments was -10.4 %.

In 2023 Fund's net operating income was c. EUR 7.6 million (2022: EUR 6.9 million). Fund's aggregate net operating income yield was c. 5.1 % (2022: c. 4.3 %). The actual net operating income was better than in 2022 but short of the targeted level due to Particentralen's tenant change and Tonsbakken's vacancy.

The reported Fund level net cash flow return for 2023 was 2.9 % and value growth return was -17.2 %. Hence, the total net return after all fees and expenses was -14.3 % on aggregate.

NAV development

The total value of the Fund units (NAV) according to INREV principles was EUR 88.4 million at the end of the financial period. The Fund's reported gross asset value (GAV) according to INREV principles was EUR 154.8 million, consisting of

- Value of real estate properties: EUR 130.9 million
- Share of a diversified hotel portfolio: EUR 6.1 million
- Value of cash and cash equivalents: EUR 16.9 million
- Other assets: EUR 0.9 million

The Fund's rules are taken into account in the Fund's valuation, and the INREV adjustments have been included in the calculations. As a result, the values of the units shown in the valuation deviate partly from those in the financial statement.

Subscriptions & redemptions

During the financial period, the sum of total subscriptions was EUR 3.6 million. Additionally, on the year's last subscription day on 29 December 2023, subscriptions worth a total of EUR 0.2 million were made. Redemptions were paid out during the year for a sum of EUR 17.8 million. Additionally, 11,731.30837 Nordea class shares, 844.83117 E class shares and 10,118.79879 C class shares will be redeemed at the next redemption date, 29 March 2024. At balance sheet date, 1,117.98719 Nordea class shares were received for redemption on 30 September 2024. The Fund saw a decrease in the redemptions phase during the second half of 2023 indicating stabilising operating environment.

At the end of the financial period, the Fund had 76 unitholders (unitholders of Nordea class shares are treated as one unitholder as Nordea is managing the respective share register). The number of unitholders in Nordea class was 523 at the last value calculation date, 29 December 2023.

Exits and major asset management updates

The Fund exited a warehouse property in Denmark (Tonsbakken) with an +8% premium to valuation at the time of the exit strengthening the Fund's liquidity position. The transaction was closed early October 2023. The asset was acquired in 2018.

During the financial year, income generating status of Particentralen asset in Sweden stabilised. The property's conversion into a niche-living property was completed, the tenant took over the premises and the staggered rent payments started in accordance with the lease agreement.

Refinancing & liquidity

The Fund successfully executed the refinancing of a c. EUR 60 million multi-currency loan in July 2023. The loan matures in two years ensuring stable funding situation for the Fund. The new loan had an extraordinary 1% prepayment in July 2023 and the loan carries a 1% amortisation per annum executed on a quarterly basis.

As per balance sheet date, the Fund has two separate loan agreements with two different providers. The EUR 60 million loan will mature in June 2025 and the EUR 8.9 million, originally entered into in 2020, will mature in 2050. Circa 92.4 % of the total amount is hedged against rate movements through, fixed interest, interest rate swap or cap agreements.

At the end of 2023 the Fund had c. EUR 16.9 million of cash in its accounts. The Fund has a strong cash balance and is in a good position to utilise the attractive market environment as the number of attractive investment opportunities is growing increasingly in the Nordic market.

Sustainability

The Fund participated in the annual GRESB assessment (Global Real Estate Sustainability Benchmark) for the second year in row and jumped from a two-star to a four-star rating (maximum rating is five stars). This was achieved through a combination of organisational level sustainability developments and concrete actions performed across the Fund's assets. During Q4 the Fund received two additional building certifications further improving the ESG credentials of the Fund.

Four-star GRESB rating and acquired certifications are a great example of the Fund's commitment to improve sustainability of the assets and preserve value through ESG investments. The Fund continues to focus in improving the sustainability factors of the assets going forward.

Market summary

During 2023, the inflation in Euro-area gradually declined from high levels reached in late 2022 and early 2023. Decline in inflation accelerated during the second half of 2023 with Euro-area inflation reaching 2.9% in December 2023. Decline in inflation was driven by increased interest rates forced by the European Central Bank. The ECB raised its rates by 200bps during 2023. Long-term market rates had already increased during late 2022 and remained on a high level through 2023 with slight rate decline recorded during late 2023 due to decreased inflation levels recorded in the Euro-area and changes in expected interest rate development.

As a result of the changed macroeconomic fundamentals, the main "asking yields" in real estate transactions have increased by 100–200 bps depending on property type and quality in the Nordic market. The yields used in valuations have moved c. 50–125 bps depending on the asset class and country. Especially Swedish yields in general, Nordic core residential and Nordic core logistics yields have corrected the most in the Nordics. Decreases in valuations of the Fund's assets in Sweden and Denmark have stabilised with valuations remaining relatively unchanged for three consecutive quarters. In Finland the decrease in valuations was seen later in 2023 lagging behind other Nordic countries. Due to stabilising valuations in Sweden and Denmark and realised valuation corrections in Finland the downwards pressure in valuations in the Fund is decreasing and valuations are expected to stabilise during early 2024. Also stabilising interest rate environment and expected rate cuts later this year are likely to ease pressure on further valuation decreases.

Transaction market in the Nordics has slowed down significantly over the last 24 months. Nordic market remains open for players that have available funds and financing sources.

Inflation creates pressure on the cash flows. Inflation also drives up the maintenance costs of the properties. Maintenance costs are paid either by the tenant or by the owner depending on the type of the lease agreement. Significant amount of the Fund's rental income is derived from net lease / capital rent contracts meaning the tenant pays the maintenance costs. However, the lessor can manage the inflation risk with active energy saving actions. Inflation also puts pressure on the tenant's ability to pay the lease. As a result, the re-letting risk and rent payment risk may increase. The Fund aims to manage these risks through active tenant management.

Sustainable Finance Disclosure Regulation, SFDR

The Fund continued to be classified as an Article 8 fund under the Sustainable Finance Disclosure Regulation, ("SFDR") in 2023. This means the Fund promotes environmental and social characteristics in accordance with Article 8 of the EU Sustainable Finance Disclosure Regulation. For further information on ESG criteria, please see the Fund's Regulatory Disclosures.

During 2023, the Fund participated in the GRESB Real Estate Assessment for the second time. The Fund was awarded with four stars out of five, which was a significant improvement compared to two stars in 2022. The result was based on significant sustainability management and performance related improvements in 2022. The Fund aims to retain its four-star rating in 2024 and to improve its score on an annual basis.

During 2023, the Fund's share of EU taxonomy aligned ('sustainable') investments increased as one residential property located in Denmark was classified as an EU taxonomy aligned investment. The share of properties with a green building certification increased, as two properties located in Sweden were awarded with BREEAM In-Use Very Good certificates. New green building certification projects started in 2023 as two properties located in Denmark pursued DGNB In-Use certifications at minimum Silver level.

At the end of 2023, six of the properties were certified:

- Porarinkatu, LEED Building Design and Construction, Gold
- Osmontie, LEED Building Design and Construction, Gold
- Äyritie (Business Park Halo), BREEAM New Construction, Very Good
- Linnoitustie (Cello), BREEAM In-Use, Very Good
- Produktvägen 3 (Solsten), BREEAM In-Use, Very Good
- Kryddpepparn 1, Östergårdsgatan 6 (Billes), BREEAM In-Use, Very Good

After the end of 2023, two new properties were rewarded with a green building certification:

- Stamholmen, DGNB In-Use, Silver
- Søllerødgade, DGNB In-Use, Gold

In 2023, the energy intensity (kWh/sqm) of the Fund's assets decreased by 9.4% compared to previous year. The total greenhouse gas (GHG) emissions increased by 1% compared to previous year but have decreased by -25.3% from the base year 2021. These results were due to energy efficiency improvements, purchase of renewable energy, and lowering the indoor temperature by 1 degree on average during heating season in selected assets.

Furthermore, the Fund conducted sustainability property audits find out actions to improve energy and water efficiency, waste recycling, indoor air quality, accessibility and other features in its properties. The Fund participated in energy savings initiative during the heating season by maintaining the lowered temperatures in certain assets and premises.

During 2023, Fund updated the energy performance certificate of Cello in Finland from C to B and obtained the energy performance certificate for Stamholmen (C).

During the financial year, the Fund conducted its second tenant satisfaction survey. The overall satisfaction score of the respondents was 3.8 out of 5.0 (3.8 in 2022). The Net Promoter Score (NPS) was 17 (-26 in 2022). In 2023, the survey included only commercial assets and number of responses was 8, whereas in 2022 the survey included also residential assets and the number of responses was 23.

More information on the environmental and social characteristics of the Fund can be found in the appendix to the financial statements.

Taxonomy Regulation

During the financial year 2023, 100% of the Fund's revenue, OpEx and CapEx were eligible under the Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 ("Taxonomy regulation").

The methodology of the eligibility assessment is as follows: 100% of the Fund's turnover, CapEx and OpEx are directly linked to the following economic activities defined by the Taxonomy: Construction of new building (7.1), Renovation of existing buildings (7.2), Installation, maintenance and repair of energy efficiency equipment (7.3), Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) (7.4), Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings (7.5), Installation, maintenance and repair of renewable energy technologies (7.6) and/or Acquisition and ownership of buildings (7.7).

7.4% of the Fund's revenue, 8.2% of the Fund's OpEx and 0% of the Fund's CapEx were aligned with the criteria set out in the Taxonomy Regulation. The taxonomy alignment assessment was conducted in 2023 by CapMan Real Estate. One asset in the Fund fulfilled the substantial contribution and do no significant harm (DNSH) criteria. CapMan continues to strengthen its business practices and processes regarding Minimum Safeguards.

The methodology of the alignment assessment was to assess all assets in the Fund against the Taxonomy criteria on 1) substantial contribution: climate change mitigation and climate change adaptation, 2) do no significant harm (DNSH), and 3) minimum safeguards criteria for construction of new buildings (7.1), renovation of existing building (7.2) and acquisition and ownership of buildings (7.7).

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

In line with the strategy of the Fund, it may invest in assets that are aligned under the EU Taxonomy and related six environmental objectives. The Fund may also transition existing non-aligned properties to EU Taxonomy alignment.

The Fund's risk management and risks

During the financial year, the Fund's daily operative risk management was performed in cooperation with the risk management and compliance functions of the Alternative Investment Fund Manager and the Fund's portfolio management. Risk control and risk-taking monitoring were performed by the Fund's Alternative Investment Fund Manager.

The Fund's most notable risks are market risk, including real estate market as a sector and investment property level risks, credit and liquidity risk, and counterparty risk. The Fund's risk associated with the Fund's investments and liquidity risk are in a particular focus in the Fund's risk management.

Risks associated with the Fund's investments or investment property risk refers to a risk of a significant decline in the value of an investment. An investment is also exposed to risks associated to its utilization, lower rental income than what was expected or the fees, associated with property maintenance, or investments in relation to property maintenance, are higher than expected, which lowers the profitability of the fund operations. This risk is managed through professional expertise and care applied to the selection of real estates.

Liquidity risk refers to the risk that the Fund does not have the necessary liquid assets to cover liabilities due to, for example, the fact that the Fund's investments cannot be converted into cash in the planned time and at the desired price. Financial risk refers to, for example, material changes in the costs of the Fund's debt capital or changes in the availability of debt.

The risks described above as well as geographical risks and risks related to general economic development are managed by diversifying the Fund's real estate portfolio, emphasizing market expertise with regards to portfolio management, carefully monitoring the Fund's liquidity, and adhering strictly to the liquidity limits defined in the Fund's regulations. The fund has a pre-set minimum liquidity limit, which is monitored and, if necessary, updated according to the size of the fund's redemptions. Additionally, the risks defined above are managed by monitoring the rental and occupancy rates, performing the necessary development measures targeted at real estate owned by the Fund, and using the hedging instruments on the market in a controlled manner.

Other risks associated with the Fund include operational risks related to the management of the Fund, risks arising from changes in regulation and taxation in the operating environment of the Fund and the properties owned by the Fund, and sustainability risks ("ESG risks"). Operational risks are managed with clear instructions and well-defined responsibilities. Risks arising from changes in regulations and taxation are managed by actively monitoring the preparation of new and / or changing legislation by the Alternative Fund Manager's Legal and Compliance functions.

Sustainability risks refer to environmental, social, and governance matters related to the Fund's investments, which may result in direct or indirect financial losses and reputational issues. When making investment decisions, sustainability issues are always considered based on an extensive Environmental, Social and Governance (ESG) assessment by the portfolio manager and an external advisor.

In real estate, environmental risks can relate to, for example, soil or groundwater contamination, climate-related risks (physical and transitional), radon, use and storage of chemicals, biodiversity, asbestos containing materials, or PCB's (Polychlorinated Biphenyls). Social risks can relate to, for example, safety and well-being, human rights in the supply chain, and tenant satisfaction. Governance risks can relate to, for example, insufficient management of ESG, management incentives, corruption, bribery, cybersecurity, or data privacy.

The Fund's other risks are risks related to the technical condition of the real estate owned by the Fund, security risks, and the tenant's business sector risk. These risks are managed through careful assessments and technical inspections, reviews of the real estate during the acquisition process, appropriate insurance measures, and effective and professional real estate management and maintenance.

Future views

The Fund continues to focus on operational performance and sustainability via active asset management and execution of performance enhancing sustainability investments.

At the balance sheet date, the Fund's cash assets represented approximately 19% of the Fund's reported net assets. Liquid assets act as a buffer against negative changes in values, redemptions, and general liquidity risk. The Fund aims to utilise available cash for future acquisitions in the currently attractive real estate market without compromising the liquidity of the Fund.

Information about key events after the end of the financial period

After the end of financial period, the Fund has exited a residential property in Denmark (Søllerødgade). The exit exceeded Fund's return targets. The asset was acquired in 2020.

Profit distribution

In accordance with the Fund's rules, the board of the Alternative Investment Fund Manager will decide on the amount and payments of profit distribution to the unit holders. At least 75% of the Fund's returns from each financial period, excluding the unrealised changes in value, will be distributed to the unit holders in relation to their share of ownership. The Alternative Investment Fund Manager will decide on the profit distribution to unit holders at the latest during the calendar year following the Fund's financial year that the return payments are based on.

CapMan Nordic Property Income Fund (non-UCITS)

Fund's basic information

Fund type	Non-UCITS
Operations started	05/12/2017
Fund Manager	CapMan AIFM Oy (starting from 2 January 2019)

Fund unit series	A	B	C	D	E	Nordea
ISIN	FI4000281910	FI4000281928	FI4000281936	FI4000281944	FI4000281951	FI4000399845
Minimum subscription amount	50,000.00	500,000.00	1,500,000.00	5,000,000.00	10,000,000.00	5,000.00
Subscription fee	2 %	1 %	1 %	0 %	0 %	2 %
Redemption fee (determined based on the investment period)						
< 1 y	3 %	3 %	3 %	4 %	5 %	2 %
1–3 y	2 %	2 %	2 %	3 %	4 %	2 %
3–5 y	1.5 %	1.5 %	1 %	2 %	3 %	2 %
>5 y	1 %	1 %	0.5 %	0 %	0 %	2 %
Management fee and custody fee	2 %	2 %	2 %	2 %	1.5 %	2 %
Performance fee*	20 %	20 %	20 %	20 %	20 %	20 %
*For the share exceeding 7% marginal revenue						

Key figures of fund shares	A	B	C	D	E	Nordea
Number of shares	14,670.34966	9,342.76341	24,416.83998	10.00000	512,417.90975	339,942.44174
Value of shares by share class (EUR)	102.69651	102.69651	102.69651	102.69651	105.59707	86.31363
Proportion (%) of the fund value	1.70 %	1.09 %	2.84 %	0.00 %	61.19 %	33.18 %
Ongoing charges (%)	2.66 %	2.66 %	2.66 %	2.66 %	2.16 %	2.66 %

Return	A	B	C	D	E	Nordea
3 months**	-7.4 %	-7.4 %	-7.4 %	-7.4 %	-7.3 %	-7.4 %
6 months	-8.9 %	-8.9 %	-8.9 %	-8.9 %	-8.7 %	-8.9 %
9 months	-12.0 %	-12.0 %	-12.0 %	-12.0 %	-11.7 %	-12.0 %
12 months	-13.8 %	-13.8 %	-13.8 %	-13.8 %	-13.4 %	-13.8 %
Since the beginning of operations	13.7 %	13.7 %	13.7 %	13.7 %	16.9 %	-5.4 %

** Return calculated from the fund's previous valuation day

The fund's key figures	Fund
Size of the fund (NAV, EUR)	88,426,109
Size of the fund, incl. Liabilities (GAV, EUR)	154,752,450
Number of unit holders	76 pcs *
Number of real estates owned by the fund	10 pcs
LTV % (GAV)	39.1 %
Average length of rental agreements (WAULT)	5.4 years
Cash (cash in bank and in hand EUR)	16,853,785

* Unitholders of Nordea class shares have been treated as one unitholder as Nordea is managing the respective share register.
The number of unitholders in Nordea class was 523 at the last value calculation date, 29 December 2023.

CapMan Nordic Property Income Fund (non-UCITS)

Income statement (group)

	1 Jan - 31 Dec 2023	1 Jan - 31 Dec 2022
1. RETURNS AND CHANGES IN VALUE	-7,580,981.16	4,903,811.57
a) Net income of securities	0.00	0.00
b) Net income of derivative contracts	-1,670,612.97	879,601.31
c) Dividend income and profit shares	0.00	0.00
d) Net income of real estate	-8,560,000.17	2,932,265.99
e) Net income of real estate securities	124,545.04	588,241.27
f) Interest income	1,217,010.84	171,192.51
g) Other income	1,308,076.11	332,510.48
2. EXPENSES	-7,363,387.53	-6,444,461.97
a) Commission expenses	0.00	0.00
aa) to the Alternative Investment Fund Manager	-1,763,939.56	-2,111,082.26
ab) to the Custodian	-39,522.23	-48,922.47
b) Interest expenses	-3,036,959.67	-1,413,274.52
c) Other expenses	-2,522,966.07	-2,871,182.72
Planned depreciations	0.00	0.00
Assessed taxes		
Change of deferred tax liability	900,938.57	-125,570.08
Income taxes	135,549.14	-78,570.94
Profit for the financial period	-13,907,880.98	-1,744,791.43

CapMan Nordic Property Income Fund (non-UCITS)

Balance sheet (group)

	31/12/2023	31/12/2022
Assets		
1. Real estate assets to market value	130,379,481.33	161,648,227.60
2. Real estate securities to market value	5,905,277.81	5,780,732.77
3. Securities to market value	0.00	0.00
4. Sales receivables	61,504.13	79,456.21
5. Other receivables		
a) Derivative contracts to market value	364,269.56	876,915.95
b) Other	598,411.42	1,343,397.62
6. Accrued income	21,909.12	32,653.08
7. Cash in bank and in hand	16,853,785.35	24,712,795.61
TOTAL ASSETS	154,184,638.73	194,474,178.84
Equity and liabilities		
A. FUND VALUE		
1. Fund value	130,379,481.33	161,648,227.60
B. LIABILITIES	5,905,277.81	5,780,732.77
1. Long-term payables	0.00	0.00
2. Trade payables	61,504.13	79,456.21
3. Other payables		
a) Derivative contracts to market value	364,269.56	876,915.95
b) Advance payments	598,411.42	1,343,397.62
c) Others	21,909.12	32,653.08
4. Accruals	16,853,785.35	24,712,795.61
TOTAL EQUITY AND LIABILITIES	154,184,638.73	194,474,178.84

CapMan Nordic Property Income Fund (non-UCITS)

Income statement (parent company)

	1 Jan - 31 Dec 2023	1 Jan - 31 Dec 2022
1. RETURNS AND CHANGES IN VALUE	-7,580,981.16	4,903,811.57
a) Net income of securities	0.00	0.00
b) Net income of derivative contracts	-1,670,612.97	879,601.31
c) Dividend income and profit shares	0.00	0.00
d) Net income of real estate	-8,560,000.17	2,932,265.99
e) Net income of real estate securities	124,545.04	588,241.27
f) Interest income	1,217,010.84	171,192.51
g) Other income	1,308,076.11	332,510.48
2. EXPENSES	-7,363,387.53	-6,444,461.97
a) Commission expenses	0.00	0.00
aa) to the Alternative Investment Fund Manager	-1,763,939.56	-2,111,082.26
ab) to the Custodian	-39,522.23	-48,922.47
b) Interest expenses	-3,036,959.67	-1,413,274.52
c) Other expenses	-2,522,966.07	-2,871,182.72
Planned depreciations	0.00	0.00
Assessed taxes		
Change of deferred tax liability	900,938.57	-125,570.08
Income taxes	135,549.14	-78,570.94
Profit for the financial period	-13,907,880.98	-1,744,791.43

CapMan Nordic Property Income Fund (non-UCITS)

Balance sheet (parent company)

	31/12/2023	31/12/2022
Assets		
1. Real estate assets to market value	0.00	0.00
2. Real estate securities to market value	35,214,290.48	51,474,808.55
3. Securities to market value	0.00	0.00
4. Sales receivables	30.08	997.65
5. Other receivables	46,670,017.98	57,827,476.16
6. Accrued income	0.00	0.00
7. Cash in bank and in hand	11,311,587.19	14,204,657.98
TOTAL ASSETS	93,195,925.73	123,507,940.34
Equity and liabilities		
A. FUND VALUE		
1. Fund value	86,999,743.48	115,724,518.34
B. LIABILITIES		
1. Long-term payables	4,548,046.50	0.00
2. Trade payables	42,967.24	0.00
3. Other payables		
a) Derivative contract amortisations	0.00	0.00
b) Advance payments	0.00	0.00
c) Others	1,224,145.56	7,757,550.49
4. Accruals	381,022.95	25,871.51
TOTAL EQUITY AND LIABILITIES	93,195,925.73	123,507,940.34

Notes concerning the financial statement's compilation

This financial statement has been compiled in accordance with the Ministry of Finance's decree number 231/2014 (Ministry of Finance's decree on the format of the income statement and balance sheet included in the financial statement of a management company, mutual investment fund and alternative investment fund, the annual report attached to the financial statement and the bi-annual review of a mutual fund) and it follows the regulations concerning valuation in fund rules.

The real estate as well as the real estate securities traded elsewhere than on regulated market or in a multilateral trading facility will be valued to their market value quarterly by a real estate evaluator approved by the Finnish Chamber of Commerce (Jones Lang LaSalle), adhering to good real estate evaluation practices.

The fund's other receivables and liabilities have been valued to the market value valid at the time the financial statement was compiled. The derivatives have been valued at market value.

Certain annual report's information defined in the decree 231/2014 has been reported as a part of the financial statement's notes.

Extent and calculation principles of the consolidated financial statements

The group has followed consistent valuation and entry principles. Insofar as the valuation and entry principles of a subsidiary have deviated from group practices, the necessary adjustments have been made in consolidation in accordance with the principle of materiality.

More detailed information on the group's companies and associated companies are provided below under the section 'Group companies'. The financial statements of subsidiaries have been converted in connection with consolidation to reflect the income statement and balance sheet format used by the parent company. The financial statements of subsidiaries have been consolidated line by line. Internal ownership has been eliminated using the acquisition cost method. The group's intracompany transactions, receivables and liabilities have been eliminated.

The financial periods are not completely comparable due to acquisitions and disposals during the periods.

The consolidated financial statements are presented in euros, unless otherwise stated.

The income statements and balance sheets of foreign entities using an operating currency different from the presentation currency are converted to the presentation currency as follows: a) The assets and liabilities of each balance sheet are converted at the exchange rate of the respective balance sheet date, b) The items in each income statement are converted to the average exchange rates of the period, and c) all resulting exchange rate differences are recorded in other income or other expenses in the income statement.

The group's deferred taxes have been recorded from the difference between tax values and market values, in accordance with the IAS 12 standard. All the group's deferred tax liabilities have been recorded in the balance statement's long-term liabilities.

The company is part of the CapMan Nordic Property Income Fund (non-UCITS) group.

The company's legal domicile is Helsinki.

A copy of the group's financial statement can be ordered from:

CapMan Nordic Property Income Fund (non-UCITS)

P.O. Box 210, 40101 Jyväskylä

CapMan Nordic Property Income Fund (non-UCITS)

Notes to financial statements, income statement

	Group 31 Dec 2023	Group 31 Dec 2022	Parent company 31 Dec 2023	Parent company 31 Dec 2022
Dividend income and profit shares				
Dividend income and profit shares	0.00	0.00	800,000.00	0.00
	0.00	0.00	800,000.00	0.00
Net income of real estate				
Increases and decreases of the market value	-15,872,436.86	-3,622,065.31	0.00	0.00
Realised returns and expenses from sale of properties	-334,308.98	-257,270.50	0.00	0.00
Amortisation of letting fees	-16,744.78	0.00	0.00	0.00
Returns	9,934,596.15	9,072,011.07	0.00	0.00
Expenses	-2,287,850.49	-2,260,409.27	0.00	0.00
	-8,576,744.95	2,932,265.99	0.00	0.00
Net income of real estate securities				
Increases and decreases of the market value	124,545.04	588,241.27	-16,260,518.08	-2,224,609.88
Returns	0.00	0.00	933,688.72	885,366.77
Expenses	0.00	0.00	-60,507.38	-76,846.28
	124,545.04	588,241.27	-15,387,336.74	-1,416,089.39
Net income of derivative contracts				
Unrealised changes in value of derivatives, net	-1,670,612.97	879,601.31	0.00	0.00
	-1,670,612.97	879,601.31	0.00	0.00
Interest income				
Interest income tax account	1,838.49	193.61	3.18	0.00
Other interest and financing revenue, group	0.00	0.00	2,838,291.47	2,735,359.60
Other interest revenue	1,215,172.35	170,998.90	17,115.65	0.00
	1,217,010.84	171,192.51	2,855,410.30	2,735,359.60
Other income				
Subscription fees	145,620.85	84,017.52	145,620.85	84,017.52
Other income	11,514.50	225,743.79	11,514.50	10,886.35
Unrealised currency exchange gains	1,108,829.69	1,905.50	655,605.60	1,905.50
Realised currency exchange gains	38,856.98	20,843.67	38,856.98	20,843.67
Other financial income	3,254.09	0.00	0.00	0.00
	1,308,076.11	332,510.48	851,597.93	117,653.04
Interest costs				
Interest costs, bank loans	-3,026,467.05	-1,350,379.99	-260,856.18	-105,494.06
Interest costs, tax account	-9,908.35	-3,243.14	0.00	-2,428.62
Other interest costs	-584.28	-59,651.39	-130.49	-12,777.18
	-3,036,959.67	-1,413,274.52	-260,986.67	-120,699.86
Other expenses				
Loan transaction costs	-267,776.81	-241,485.42	-126,050.12	-153,199.23
Realised exchange losses	-36,845.29	-23,459.37	-36,256.70	-23,459.37
Unrealised exchange losses	-1,133,079.99	-1,299,980.97	-707,933.96	-865,372.57
Other financing costs	-271.36	-148.35	-196.00	0.00
Owner's expenses	-1,068,247.84	-1,306,108.61	-332,792.26	-497,387.99
	-2,506,221.29	-2,871,182.72	-1,203,229.04	-1,539,419.16
Taxes				
Change of deferred tax liability	900,938.57	-125,570.08	0.00	0.00
Income taxes	135,549.14	-78,570.94	0.00	0.00
	1,036,487.71	-204,141.03	0.00	0.00

CapMan Nordic Property Income Fund (non-UCITS)

Notes to financial statements, balance sheet

Assets	Group 31 Dec 2023	Group 31 Dec 2022	Parent company 31 Dec 2023	Parent company 31 Dec 2022
Rent receivables				
Rent receivables	61,504.13	79,456.21	30.08	997.65
	61,504.13	79,456.21	30.08	997.65
Other receivables				
Loans receivable long-term, group	0.00	0.00	44,365,930.41	52,947,923.45
Other long-term receivables	511,782.01	25,046.33	5,495.68	0.00
Current interest receivables, group	0.00	0.00	2,298,591.89	4,764,266.82
Other receivables	450,898.98	2,195,267.24	0.00	115,285.89
	962,680.98	2,220,313.57	46,670,017.98	57,827,476.16
Accrued income				
Accrued income	11,093.73	15,346.38	0.00	0.00
Advance payments	10,815.39	17,306.69	0.00	0.00
	21,909.12	32,653.08	0.00	0.00
Liabilities	Group 31 Dec 2023	Group 31 Dec 2022	Parent company 31 Dec 2023	Parent company 31 Dec 2022
Long-term payables				
Liabilities to credit institutions	60,520,733.83	8,875,142.88	4,548,046.50	0.00
Rental deposit	1,039,092.75	964,316.46	0.00	0.00
Advance payments	0.00	0.00	0.00	0.00
Deferred tax liabilities	2,830,734.61	4,241,057.84	0.00	0.00
Other payables	0.00	0.00	0.00	0.00
	64,390,561.19	14,080,517.18	4,548,046.50	0.00
Trade payables				
Trade payables, group	0.00	0.00	0.00	0.00
Trade payables	206,487.03	367,988.86	42,967.24	0.00
	206,487.03	367,988.86	42,967.24	0.00
Advance payments				
Advance payments	635,590.33	695,408.03	0.00	0.00
	635,590.33	695,408.03	0.00	0.00
Other payables				
Liabilities to credit institutions	530,914.93	59,813,127.41	52,569.00	5,310,000.00
Interest-bearing liabilities to financial institutions	26,037.52	13,572.30	2,290.72	1,136.34
Subscription liabilities	196,000.00	1,881,908.00	196,000.00	1,881,908.00
Other payables	675,288.98	976,741.82	973,285.84	564,506.51
	1,428,241.42	62,685,349.52	1,224,145.56	7,757,550.85
Accrued liabilities				
Accrued liabilities	524,015.68	920,397.40	381,023.30	25,871.51
	524,015.68	920,397.40	381,023.30	25,871.51

CapMan Nordic Property Income Fund (non-UCITS)

Notes to financial statements, other

	Group	Group	Parent company	Parent company
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Net income of real estate and real estate securities				
Property rental operations	9,934,596.15	9,072,011.07	0.00	0.00
Rental income from real estate securities	0.00	0.00	933,688.72	885,366.77
Maintenance charges, real estate	0.00	0.00	-60,507.38	-76,846.28
Other expenses	-2,287,850.49	-2,260,409.27	0.00	0.00
Amortisation of letting fees	-16,744.78	0.00	0.00	0.00
Realised changes in value, net	-334,308.98	-257,270.50	0.00	0.00
Unrealised changes in value, net	-15,747,891.82	-3,033,824.04	-16,260,518.08	-2,224,609.88
Total	-8,452,199.91	3,520,507.26	-15,387,336.74	-1,416,089.39
Net income of derivative contracts				
Interest-linked items				
Profit	1,121,563.22	169,516.79	0.00	0.00
Loss	0.00	0.00	0.00	0.00
Unrealised changes in value, net	-1,670,612.97	879,601.31	0.00	0.00
Total	-549,049.75	1,049,118.10	0.00	0.00

	2023	2022
Trading expenses related to the mutual fund investments	122,061	509,993
Distributed and reinvested returns	307,095	3,399,997
Fees paid to the custodian	39,522	48,922
Management fee paid to the Alternative Investment Fund Manager	1,763,940	2,003,640
Performance-based fee paid to the Alternative Investment Fund Manager	0	107,442

Salaries and emoluments paid to the personnel of the Alternative Investment Fund Manager

CapMan AIFM Oy acted as Fund's alternative investment fund manager during 2023. It paid remuneration to 36 persons in the amount of EUR 3,501,220. From the total amount, the fixed remuneration was EUR 3,126,061 and variable remuneration was EUR 375,159. CapMan AIFM has identified 10 employees acting risk takers and working in control functions (identified employees). Of the total remuneration, EUR 1,906,235 was paid as remuneration to identified employees. From this amount, the fixed remuneration was EUR 1,602,980 and variable remuneration was EUR 303,255.

	2023	2022
Fund value		
Fund value at the beginning of the financial period	115,724,518.34	103,065,081.41
Subscriptions of fund units	3,572,257.04	24,138,848.62
Redemptions of fund units	-17,841,930.81	-5,696,214.03
Profit distribution	-307,095.08	-3,399,997.16
Profit/loss of the financial period	-14,148,006.01	-2,383,200.50
Fund value at the end of the financial period	86,999,743.48	115,724,518.34
Fund value attributable to fund shares	86,999,743.48	115,724,518.34

	2023	2022
Calculation of the profit distribution under the fund rules		
Profit of group for the financial period	-13,907,880.98	-1,744,791.43
Securities' and derivatives' unrealised changes in value, net	-1,670,612.97	879,601.31
Unrealised changes in value of Real Estate, net	-15,747,891.82	-3,033,824.04
Realised return	3,510,623.81	409,431.30
Minimum distribution to unit holders (75%)	2,632,967.86	307,073.48

Minimum distributable profit is calculated based on profit of group, since group profit is considered to better reflect the cash flow of the Fund.

CapMan Nordic Property Income Fund (non-UCITS)

Investments

Market value	31 Dec 2023	31 Dec 2022
Real estate assets EUR		
Industrial/Logistics	44,259,546	62,154,746
Office	44,700,000	55,100,000
Niche living	41,419,936	44,393,481
Other securities	31 Dec 2023	31 Dec 2022
Fund units		
CapMan Hotels II FCP-RAIF	5,905,278	5,780,733
Total	136,284,759	167,428,960

Fund holdings

Real Estate divested during the period	Fund ownership %	Location	Lettable area m²	Occupancy %
Tonsbakken 12 (Logistics/Office)	100 %	Tanska	12,610	0 %
Real Estate acquired earlier	Fund ownership %	Location	Lettable area m²	Occupancy %
Koy Espoon Porarinkatu (Niche living)	100 %	Finland	3,176	100 %
Stamholmen (Warehouse/Office)	100 %	Denmark	13,824	100 %
Particentralen 8 (Niche living)	100 %	Sweden	5,211	94 %
CapMan Hotels RE Ky -portfolio	1.5 %	-	-	-
Kryddpepparn HoldCo AB (Industrial/Logistics)	100 %	Sweden	8,159	100 %
Koy Quartetton Cello (Office)	100 %	Finland	5,244	98 %
Koy Plaza Business Park Halo (Office)	100 %	Finland	5,844	91 %
Koy Helsingin Osmontie 38 (Office)	100 %	Finland	3,587	77 %
Søllerødgade 15-19 (Niche living)	100 %	Denmark	2,510	100 %
CMNPI Sunrock HoldCo AB (Industrial/Logistics)	100 %	Sweden	7,118	100 %
CMNPI Sintrupvej 17-19 ApS (Warehouse/Industrial)	100 %	Denmark	4,586	100 %

Commitments and contingent liabilities EUR

Financial loans with security	61,051,649
Mortgages given	67,476,682
Bank accounts and rents receivable	16,915,289

There are financial covenants tied to the secured debt. The agreed covenants relate to solidity and ability to cover the groups interest payments. A breach of covenants could lead to increased financing costs or termination of loan agreements. The fulfillment of covenants is monitored regularly and none of them have been breached.

Auditor's commission, EUR 44,300

Leverage calculation

According to the Commission Delegated Regulation No 231/2013, leverage of an AIF shall be expressed as the ratio between the exposure of an AIF and its net asset value. The exposure shall be calculated in accordance with the gross method and the commitment method, as defined in the Regulation.

The exposure of an AIF calculated in accordance with the gross method shall be the sum of the absolute values of all positions valued in accordance with Article 19 of Directive 2011/61/EU and all delegated acts adopted pursuant to it. Cash and other highly liquid investments are excluded from the calculation.

The exposure of an AIF calculated in accordance with the commitment method shall be the sum of the absolute values of all positions valued in accordance with Article 19 of Directive 2011/61/EU and its corresponding delegated acts, but applying netting and hedging arrangements.

According to the Fund Rules, the maximum amount of borrowing is defined as a share of the total assets of the Fund (GAV).

	Calculated according to the Fund Rules	Gross method	Commitment method
Leverage of the fund 31 December 2022	39 %	203 %	168 %
Maximum amount of borrowing according to the Fund Rules	50 %		
Maximum amount of borrowing according to the Fund Rules for a specific reason	83 %		

CapMan Nordic Property Income Fund (non-UCITS)

Parent company	Shares in subsidiaries	Other investments	Total, EUR
Acquisition cost 1 Jan	45,694,075.77	5,780,732.77	51,474,808.54
Additions	-16,385,063.11	124,545.03	-16,260,518.08
Book value as of 31 Dec	29,309,012.66	5,905,277.80	35,214,290.46

Group subsidiaries	Group shareholding %	Parent company shareholding %	Stocks and shares owned by parent company, pcs	Stocks and shares owned by parent company, Book value, EUR
Kiinteistö Oy Espoon Porarinkatu 1	100.0 %	100.0 %	2,500	10,008,524.54
CMNPI Holding 1 Oy	100.0 %	100.0 %	2,500	12,237,948.71
CMNPI Finland Ky	100.0 %	100.0 %	-	1,388,690.80
CMNPI Holding 2 Oy	100.0 %	100.0 %	2,500	4,613,477.43
CMNPI Sintrupvej 17-19 ApS	100.0 %	100.0 %	50,000	1,060,371.18

Subgroup subsidiaries	Group shareholding %	Subgroup parent company shareholding %	pcs	Book value, EUR
CMNPI Sweden 1 AB	100.00 %	100.00 %	50,000	8,057,757.80
Particentralen 8 AB	100.00 %	100.00 %	50,000	2,285,637.26
Kryddpepparn HoldCo AB	100.00 %	100.00 %	1,000	2,290,765.82
Stamholmen 70 PropCo ApS	100.00 %	100.00 %	50,001	2,777,993.84
Koy Quartetton Cello	100.00 %	100.00 %	12	10,420,347.79
Koy Plaza Business Park Halo	100.00 %	100.00 %	2,500	8,925,379.03
Koy Helsingin Osmontie 38	100.00 %	100.00 %	2,500	4,291,640.82
Søllerødgade 15-19 GP Aps	100.00 %	100.00 %	40,000	5,406.11
Søllerødgade 15-19 K/S	100.00 %	100.00 %	100	2,971,594.22
CMNPI Sunrock HoldCo AB	100.00 %	100.00 %	25,000	2,823,724.10
CMNPI Sweden 2 AB	100.00 %	100.00 %	25,000	20,181.18
CMNPI Sweden PropCo AB	100.00 %	100.00 %	25,000	4,536.95

Other investments	Book value, EUR
CapMan Hotels II FCP-RAIF	5,905,277.80

The group's deferred taxes	Tax rate	Deferred tax liability (+) / receivable (-), EUR
Koy Espoon Porarinkatu 1	20.0 %	2,000.00
Particentralen 8 AB	21.6 %	235,907.80
Stamholmen 70 PropCo ApS	22.0 %	1,766,187.11
Kryddpepparn HoldCo AB	21.6 %	345,541.29
Kiinteistö Oy Quartetton Cello	20.0 %	0.00
Kiinteistö Oy Helsingin Osmontie 38	20.0 %	0.00
Kiinteistö Oy Business Park Plaza Halo	20.0 %	0.00
Søllerødgade 15-19 K/S	22.0 %	347,677.89
Søllerødgade 15-19 GP Aps	22.0 %	-45.75
CMNPI Sunrock HoldCo AB	21.6 %	127,981.16
CMNPI Sintrupvej 17-19 ApS	22.0 %	4,150.99
Total		2,829,400.49

Derivative contracts	Started on	Ending	Nominal value, EUR	Market value, EUR
CMNPI Finland Ky	23/08/2023	30/06/2025	24,134,963.00	163,342.93
Stamholmen 70 PropCo ApS	23/08/2023	30/06/2025	4,769,774.18	13,563.27
CMNPI Sintrupvej 17-19 ApS	23/08/2023	30/06/2025	2,523,245.98	7,174.58
Particentralen 8 AB	23/08/2023	30/06/2025	7,110,535.33	79,259.32
Kryddpepparn HoldCo AB	23/08/2023	30/06/2025	2,396,809.66	26,716.62
CMNPI Sunrock HoldCo AB	23/08/2023	30/06/2025	6,657,804.61	74,212.84
Total				364,269.56

LIST OF ACCOUNTING BOOKS USED

Unit4 Business World 7.3

Diary	electronically in the Unit4 system
General ledger	electronically in the Unit4 system
Income statement	electronically in the Unit4 system
Balance sheet	electronically in the Unit4 system

Financial statement and
balance sheet specifications separately bound/electronically

Receipt types:	
Purchase invoices	electronically in the Unit4 system
Purchase payments	electronically in the Unit4 system
Sales invoices	electronically in the Unit4 system
Sales payments	electronically in the Unit4 system
Memo vouchers	electronically in the Unit4 system
Bank receipts	electronically in the Unit4 system/as paper receipts
Receipts of notes	electronically/as paper receipts

Archival:

Accounting records are stored in compliance with the provisions of Chapter 2, Section 10 of the Accounting Act.

Signatures to the financial statements and the annual report

Helsinki, 22 March 2024

Milla Sylvänne
CapMan Nordic Property Income Fund (non-UCITS) with its representative
Alternative Investment Fund Manager CapMan AIFM Oy

Auditor's note

A report has today been issued about the audit performed.

Ernst & Young Oy
Auditing company

Kristina Sandin
Authorised Public Accountant

Note! This is an unofficial translation of the Financial Statements and will not be signed.

A copy of the original document in Finnish can be ordered from:

CapMan Nordic Property Income Fund (non-UCITS)
P.O. Box 210, 40101 Jyväskylä