
Esplanaden Berlin Holding A/S

Gl. Torv 2, 1. 4., DK-5800 Nyborg

Annual Report for 2023

CVR No. 27 96 35 36

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 15/5 2024

Jesper Kim Pedersen
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Esplanaden Berlin Holding A/S for the financial year 1 January - 31 December 2023.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

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

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Nyborg, 15 May 2024

Executive Board

Jesper Kim Pedersen
CEO

Board of Directors

Søren Krarup
Chairman

Jan Leth Christensen

Torben Hjort Friderichsen

Niels Peter Nielsen

Niels Johan Pohlmann

Brian Djernes

Independent Auditor's report

To the shareholders of Esplanaden Berlin Holding A/S

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2023 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Esplanaden Berlin Holding A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's report

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Independent Auditor's report

Odense M, 15 May 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Line Hedam

State Authorised Public Accountant

mne27768

Brian Petersen

State Authorised Public Accountant

mne33722

Company information

| | |
|---------------------------|---|
| The Company | Esplanaden Berlin Holding A/S Gl. Torv 2, 1. 4. DK-5800 Nyborg CVR No: 27 96 35 36 Financial period: 1 January - 31 December Municipality of reg. office: Nyborg |
| Board of Directors | Søren Krarup, chairman Jan Leth Christensen Torben Hjort Friderichsen Niels Peter Nielsen Niels Johan Pohlmann Brian Djernes |
| Executive Board | Jesper Kim Pedersen |
| Auditors | PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Munkebjergvænget 1, 3. og 4. sal DK-5230 Odense M |

Financial Highlights

Seen over a 5-year period, the development of the Group is described by the following financial highlights:

| | Group | | | | |
|--|--------------|-----------|-----------|-----------|-----------|
| | 2023 | 2022 | 2021 | 2020 | 2019 |
| | TDKK | TDKK | TDKK | TDKK | TDKK |
| Key figures | | | | | |
| Profit/loss | | | | | |
| Revenue | 126,252 | 114,100 | 104,692 | 99,037 | 92,291 |
| Gross profit | 118,608 | 100,181 | 368,159 | 217,941 | 285,880 |
| Profit/loss of primary operations | 82,743 | 74,841 | 325,442 | 188,524 | 251,180 |
| Profit/loss of financial income and expenses | -30,603 | -2,259 | 17,925 | 32,417 | 26,452 |
| Net profit/loss for the year | 42,819 | 60,320 | 287,647 | 186,028 | 231,098 |
| Balance sheet | | | | | |
| Balance sheet total | 3,179,848 | 3,126,626 | 2,791,689 | 2,373,447 | 2,178,687 |
| Investment in property, plant and equipment | 65,273 | 66,084 | 156,024 | 48,939 | 101,204 |
| Equity | 1,338,191 | 1,397,811 | 1,336,359 | 1,096,497 | 916,897 |
| Cash flows | | | | | |
| Cash flows from: | | | | | |
| - operating activities | 27,799 | 49,114 | 64,299 | 36,202 | 28,387 |
| - investing activities | -28,439 | -63,079 | -84,360 | -44,610 | -93,319 |
| - financing activities | 4,017 | 9,280 | 20,481 | -12,983 | 57,637 |
| Change in cash and cash equivalents for the year | 3,377 | -4,685 | 420 | -21,391 | -7,295 |
| Number of employees | 61 | 38 | 29 | 35 | 35 |
| Ratios | | | | | |
| Gross margin | 93.9% | 87.8% | 351.7% | 220.1% | 309.8% |
| Profit margin | 65.5% | 65.6% | 310.9% | 190.4% | 272.2% |
| Return on assets | 2.6% | 2.4% | 11.7% | 7.9% | 11.5% |
| Solvency ratio | 42.1% | 44.7% | 47.9% | 46.2% | 42.1% |
| Return on equity | 3.1% | 4.4% | 23.6% | 18.5% | 27.3% |

Management's review

Key activities

The purpose and activities of the Company are investment in rental properties primarily residential properties located in Berlin, as well as related activities. The investments are made through German companies.

Development in the year

The Group's profit for the year amounts to DKK 52,139 thousand before tax and DKK 42,818 thousand after tax. The profit excl. value adjustment of investment properties is considered satisfactory and in line with the expectations for the year. The profit for the year is positively affected by a value adjustment of the investment properties of DKK 14,782 thousand. The positive value adjustment is mostly due to disposal of condominiums during the financial year as well as increase in rental income.

Equity incl. minority interests amounts to DKK 1,338,190 thousand at 31 December 2023 compared to a consolidated balance sheet total of DKK 3,179,719 thousand.

Interest rate risks

The Company and the Group are affected by the interest development and the general development on the property market in Berlin.

Targets and expectations for the year ahead

Net revenue in 2024 is expected to increase by 2-5% as a result of expected rent adjustment. Profit in 2024 before value adjustment of properties, tax and minority interests is expected to decrease by 30-40% due to increase in financial expenses.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 January - 31 December

| | Note | Group | | Parent company | |
|---|------|----------------|----------------|----------------|----------------|
| | | 2023 | 2022 | 2023 | 2022 |
| | | TDKK | TDKK | TDKK | TDKK |
| Revenue | | 126,252 | 114,100 | 0 | 0 |
| Value adjustments of assets held for investment | | 14,782 | 13,466 | 0 | 0 |
| Other operating income | | 11,758 | 0 | 0 | 0 |
| Direct expenses | | -21,545 | -16,367 | 0 | 0 |
| Other external expenses | | -12,639 | -11,018 | -2,709 | -3,162 |
| Gross profit | | 118,608 | 100,181 | -2,709 | -3,162 |
| Staff expenses | 1 | -30,640 | -23,907 | -7,781 | -9,754 |
| Depreciation and impairment losses of property, plant and equipment | 2 | -1,373 | -1,433 | -74 | -99 |
| Other operating expenses | | -3,852 | 0 | 0 | 0 |
| Profit/loss before financial income and expenses | | 82,743 | 74,841 | -10,564 | -13,015 |
| Income from investments in subsidiaries | | 0 | 0 | 48,424 | 69,937 |
| Income from investments in associates | | 5,955 | 7,114 | -44 | -242 |
| Financial income | 3 | 135 | 81 | 680 | 110 |
| Financial expenses | 4 | -36,693 | -9,454 | -11 | -71 |
| Profit/loss before tax | | 52,140 | 72,582 | 38,485 | 56,719 |
| Tax on profit/loss for the year | 5 | -9,321 | -12,262 | 5 | 14 |
| Net profit/loss for the year | 6 | 42,819 | 60,320 | 38,490 | 56,733 |

Balance sheet 31 December

Assets

| | Note | Group | | Parent company | |
|--|------|------------------|------------------|------------------|------------------|
| | | 2023 | 2022 | 2023 | 2022 |
| | | TDKK | TDKK | TDKK | TDKK |
| Investment properties | 7 | 2,912,516 | 2,868,296 | 0 | 0 |
| Other fixtures and fittings, tools and equipment | 8 | 5,053 | 3,861 | 223 | 296 |
| Property, plant and equipment | | 2,917,569 | 2,872,157 | 223 | 296 |
| Investments in subsidiaries | 9 | 0 | 0 | 1,300,756 | 1,346,436 |
| Investments in associates | 10 | 147,941 | 145,726 | 0 | 0 |
| Other investments | 11 | 806 | 1,884 | 0 | 0 |
| Deposits | 11 | 18,283 | 17,102 | 0 | 0 |
| Other receivables | 11 | 4,751 | 6,659 | 0 | 1,539 |
| Fixed asset investments | | 171,781 | 171,371 | 1,300,756 | 1,347,975 |
| Fixed assets | | 3,089,350 | 3,043,528 | 1,300,979 | 1,348,271 |
| Raw materials and consumables | | 1,751 | 895 | 0 | 0 |
| Inventories | | 1,751 | 895 | 0 | 0 |
| Trade receivables | | 2,670 | 2,421 | 0 | 30 |
| Receivables from group enterprises | | 0 | 0 | 2,403 | 9,975 |
| Receivables from associates | | 0 | 1,482 | 0 | 1,482 |
| Other receivables | | 14,506 | 7,398 | 2,324 | 94 |
| Prepayments | 12 | 1,850 | 4,699 | 159 | 48 |
| Receivables | | 19,026 | 16,000 | 4,886 | 11,629 |
| Cash at bank and in hand | | 69,721 | 66,203 | 1,052 | 1,917 |
| Current assets | | 90,498 | 83,098 | 5,938 | 13,546 |
| Assets | | 3,179,848 | 3,126,626 | 1,306,917 | 1,361,817 |

Balance sheet 31 December

Liabilities and equity

| | Note | Group | | Parent company | |
|--|------|------------------|------------------|------------------|------------------|
| | | 2023 | 2022 | 2023 | 2022 |
| | | TDKK | TDKK | TDKK | TDKK |
| Share capital | 13 | 15,000 | 15,000 | 15,000 | 15,000 |
| Reserve for net revaluation under the equity method | | 0 | 0 | 1,191,536 | 1,243,201 |
| Reserve for exchange rate conversion | | -1,481 | -4,449 | 0 | 0 |
| Retained earnings | | 1,193,017 | 1,247,650 | 0 | 0 |
| Equity attributable to shareholders of the Parent Company | | 1,206,536 | 1,258,201 | 1,206,536 | 1,258,201 |
| Minority interests | | 131,655 | 139,610 | 0 | 0 |
| Equity | | 1,338,191 | 1,397,811 | 1,206,536 | 1,258,201 |
| Provision for deferred tax | 14 | 275,760 | 269,186 | 0 | 0 |
| Other provisions | | 97,479 | 93,219 | 97,479 | 93,219 |
| Provisions | | 373,239 | 362,405 | 97,479 | 93,219 |
| Mortgage loans | | 1,001,190 | 776,531 | 0 | 0 |
| Deposits | | 25,128 | 17,103 | 0 | 0 |
| Long-term debt | 15 | 1,026,318 | 793,634 | 0 | 0 |
| Mortgage loans | 15 | 390,234 | 530,929 | 0 | 0 |
| Credit institutions | | 13,960 | 19 | 13 | 19 |
| Trade payables | | 11,032 | 10,896 | 258 | 346 |
| Payables to group enterprises | | 0 | 0 | 2,060 | 9,696 |
| Payables to owners and Management | | 14 | 0 | 0 | 0 |
| Corporation tax | | 2,681 | 12,001 | 0 | 0 |
| Other payables | | 17,769 | 13,410 | 571 | 336 |
| Deferred income | 16 | 6,410 | 5,521 | 0 | 0 |
| Short-term debt | | 442,100 | 572,776 | 2,902 | 10,397 |
| Debt | | 1,468,418 | 1,366,410 | 2,902 | 10,397 |
| Liabilities and equity | | 3,179,848 | 3,126,626 | 1,306,917 | 1,361,817 |

Balance sheet 31 December

Liabilities and equity

| | Note | Group | | Parent company | |
|--|------|-------|------|----------------|------|
| | | 2023 | 2022 | 2023 | 2022 |
| | | TDKK | TDKK | TDKK | TDKK |
| Contingent assets, liabilities and other financial obligations | 19 | | | | |
| Related parties | 20 | | | | |
| Accounting Policies | 21 | | | | |

Statement of changes in equity

Group

| | Share capital | Reserve for exchange rate conversion | Retained earnings | Equity excl. minority interests | Minority interests | Total |
|------------------------------|---------------|--------------------------------------|-------------------|---------------------------------|--------------------|------------------|
| | TDKK | TDKK | TDKK | TDKK | TDKK | TDKK |
| Equity at 1 January | 15,000 | -4,449 | 1,247,650 | 1,258,201 | 139,610 | 1,397,811 |
| Exchange adjustments | 0 | 2,968 | 0 | 2,968 | 281 | 3,249 |
| Extraordinary dividend paid | 0 | 0 | -90,000 | -90,000 | -2,615 | -92,615 |
| Other equity movements | 0 | 0 | -3,123 | -3,123 | -9,950 | -13,073 |
| Net profit/loss for the year | 0 | 0 | 38,490 | 38,490 | 4,329 | 42,819 |
| Equity at 31 December | 15,000 | -1,481 | 1,193,017 | 1,206,536 | 131,655 | 1,338,191 |

Parent company

| | Share capital | Reserve for net revaluation under the equity method | Retained earnings | Total |
|---------------------------------|---------------|---|-------------------|------------------|
| | TDKK | TDKK | TDKK | TDKK |
| Equity at 1 January | 15,000 | 1,243,201 | 0 | 1,258,201 |
| Exchange adjustments | 0 | 2,968 | 0 | 2,968 |
| Extraordinary dividend paid | 0 | 0 | -90,000 | -90,000 |
| Dividend from group enterprises | 0 | -95,140 | 95,140 | 0 |
| Other equity movements | 0 | -3,123 | 0 | -3,123 |
| Transfers, reserves | 0 | -4,750 | 4,750 | 0 |
| Net profit/loss for the year | 0 | 48,380 | -9,890 | 38,490 |
| Equity at 31 December | 15,000 | 1,191,536 | 0 | 1,206,536 |

Cash flow statement 1 January - 31 December

| | Note | Group | |
|---|------|----------------|----------------|
| | | 2023 | 2022 |
| | | TDKK | TDKK |
| Result of the year | | 42,819 | 60,320 |
| Adjustments | 17 | 26,515 | 2,488 |
| Change in working capital | 18 | 7,685 | 2,125 |
| Cash flow from operations before financial items | | 77,019 | 64,933 |
| Financial income | | 135 | 81 |
| Financial expenses | | -36,693 | -9,454 |
| Cash flows from ordinary activities | | 40,461 | 55,560 |
| Corporation tax paid | | -12,662 | -6,446 |
| Cash flows from operating activities | | 27,799 | 49,114 |
| Purchase of property, plant and equipment | | -65,273 | -66,084 |
| Fixed asset investments made etc | | -2,194 | -44,607 |
| Sale of property, plant and equipment | | 31,856 | 39,902 |
| Dividends received from associates | | 7,172 | 7,710 |
| Cash flows from investing activities | | -28,439 | -63,079 |
| Repayment of mortgage loans | | -297,523 | -190,300 |
| Raising of mortgage loans | | 378,586 | 246,832 |
| Raising of loans from credit institutions | | 13,941 | 17 |
| Raising of other long-term debt | | 6,844 | 0 |
| Dividend paid | | -92,615 | -48,829 |
| Other regulations on company formation, minority interests etc. | | -5,216 | 1,560 |
| Cash flows from financing activities | | 4,017 | 9,280 |
| Change in cash and cash equivalents | | 3,377 | -4,685 |
| Cash and cash equivalents at 1 January | | 66,203 | 27,308 |
| Exchange adjustment of current asset investments | | 141 | 43,580 |
| Cash and cash equivalents at 31 December | | 69,721 | 66,203 |
| Cash and cash equivalents are specified as follows: | | | |
| Cash at bank and in hand | | 69,721 | 66,203 |
| Cash and cash equivalents at 31 December | | 69,721 | 66,203 |

Notes to the Financial Statements

| | Group | | Parent company | |
|---|---------------|---------------|----------------|--------------|
| | 2023 | 2022 | 2023 | 2022 |
| | TDKK | TDKK | TDKK | TDKK |
| 1. Staff Expenses | | | | |
| Wages and salaries | 29,629 | 21,579 | 7,493 | 9,544 |
| Pensions | 1,344 | 892 | 0 | 0 |
| Other social security expenses | 1,739 | 1,070 | 39 | 28 |
| Other staff expenses | 508 | 366 | 249 | 182 |
| | 33,220 | 23,907 | 7,781 | 9,754 |
| Transfer to production wages | -2,580 | 0 | 0 | 0 |
| | -2,580 | 0 | 0 | 0 |
| Including remuneration to the Executive Board and Board of Directors | 7,438 | 9,260 | 5,752 | 7,384 |
| Average number of employees | 61 | 38 | 3 | 4 |

A long-term bonus agreement has been made with the Board of Directors. The agreement implies that the Board of Directors receives a cash-based bonus based on the development in the value of the company's shares, at the same time as the shareholders' realization of the value added. The calculated value on the closing date is recognized as a provision in the financial statement.

| | Group | | Parent company | |
|---|--------------|--------------|----------------|-----------|
| | 2023 | 2022 | 2023 | 2022 |
| | TDKK | TDKK | TDKK | TDKK |
| 2. Depreciation and impairment losses of property, plant and equipment | | | | |
| Depreciation of property, plant and equipment | 1,373 | 1,433 | 74 | 99 |
| | 1,373 | 1,433 | 74 | 99 |

Notes to the Financial Statements

| | Group | | Parent company | |
|--|------------|-----------|----------------|------------|
| | 2023 | 2022 | 2023 | 2022 |
| | TDKK | TDKK | TDKK | TDKK |
| 3. Financial income | | | | |
| Interest received from group enterprises | 0 | 0 | 635 | 68 |
| Interest received from associates | 35 | 42 | 35 | 42 |
| Other financial income | 91 | 39 | 10 | 0 |
| Exchange gains | 9 | 0 | 0 | 0 |
| | 135 | 81 | 680 | 110 |

| | Group | | Parent company | |
|------------------------------------|---------------|--------------|----------------|-----------|
| | 2023 | 2022 | 2023 | 2022 |
| | TDKK | TDKK | TDKK | TDKK |
| 4. Financial expenses | | | | |
| Interest paid to group enterprises | 0 | 0 | 3 | 32 |
| Other financial expenses | 36,685 | 9,431 | 0 | 12 |
| Exchange adjustments, expenses | 8 | 23 | 8 | 27 |
| | 36,693 | 9,454 | 11 | 71 |

| | Group | | Parent company | |
|---|--------------|---------------|----------------|------------|
| | 2023 | 2022 | 2023 | 2022 |
| | TDKK | TDKK | TDKK | TDKK |
| 5. Income tax expense | | | | |
| Current tax for the year | 2,428 | 11,461 | 0 | 0 |
| Deferred tax for the year | 5,979 | 821 | 0 | 0 |
| Adjustment of tax concerning previous years | 914 | -20 | -5 | -14 |
| | 9,321 | 12,262 | -5 | -14 |

Notes to the Financial Statements

| | Group | | Parent company | |
|--|---------------|---------------|-----------------------|---------------|
| | 2023 | 2022 | 2023 | 2022 |
| | TDKK | TDKK | TDKK | TDKK |
| 6. Profit allocation | | | | |
| Extraordinary dividend paid | 90,000 | 46,000 | 90,000 | 46,000 |
| Reserve for net revaluation under the equity method | 0 | 0 | 48,380 | 69,937 |
| Minority interests' share of net profit/loss of subsidiaries | 4,329 | 3,587 | 0 | 0 |
| Retained earnings | -51,510 | 10,733 | -99,890 | -59,204 |
| | 42,819 | 60,320 | 38,490 | 56,733 |

Notes to the Financial Statements

7. Assets measured at fair value

Group

| | Investment properties |
|---------------------------------------|--------------------------|
| | TDKK |
| Cost at 1 January | 1,594,665 |
| Exchange adjustment | 3,524 |
| Additions for the year | 62,145 |
| Disposals for the year | -24,341 |
| Transfers for the year | -7,185 |
| Cost at 31 December | <u>1,628,808</u> |
| Value adjustments at 1 January | 1,273,631 |
| Exchange adjustment | 2,810 |
| Revaluations for the year | 7,267 |
| Value adjustments at 31 December | <u>1,283,708</u> |
| Carrying amount at 31 December | <u>2,912,516</u> |

Assumptions underlying the determination of fair value of investment properties

As described in accounting policies, the Group's investment properties are measured at fair value based on external assessments and management estimates. Management's estimate is based on a rate-of-return model. An external valuer has assisted in the assessment of the properties at a total fair value of DKK 560m. For other properties totaling DKK 2,145m the fair value has been calculated by management based on previous years valuation by external valuer, key figures from the external assessments and managements own current estimate which are based on three calculated reference values on each property. The calculated reference values lie within a span of DKK 51m (2022: 41m).

Return on the total property portfolio amounts to an average of 4.0% (2022: 3.7%), with an average price factor of 20.8 times the annual rent (2022: 21.3), and an average market price of DKK 19,914 per m² (2022: 19,974 per m²). If the market price was calculated using an alternative rate of return of 4.5% the fair value would amount to 2,376m instead.

Properties which have been divided into condominiums, and where no condominiums have been sold, are treated as investment properties until the time, when the Group intends to sell individual condominiums. The costs related to creation of condominiums have been added to the cost of the properties.

Properties which have been divided into condominiums, and where disposal of condominiums is ongoing, amounts to 115.8m and are measured at fair value based on the expected net sales price per m² with a deduction for expected costs and risk of price variance until the time of disposal. Condominiums for disposal are valued at an average price of DKK 42,670 per m².

Building projects in progress amount to DKK 91.1m, which is added at fair value.

All the Group's 44 properties are situated in Berlin and are primarily residential properties. Vacancy level for the portfolio is low.

Notes to the Financial Statements

8. Property, plant and equipment

| | <u>Group</u> | <u>Parent company</u> |
|--|---|---|
| | Other fixtures and fittings, tools and equipment | Other fixtures and fittings, tools and equipment |
| | TDKK | TDKK |
| Cost at 1 January | 9,189 | 1,261 |
| Exchange adjustment | 18 | 0 |
| Additions for the year | 3,128 | 0 |
| Disposals for the year | -744 | 0 |
| Cost at 31 December | <u>11,591</u> | <u>1,261</u> |
| Impairment losses and depreciation at 1 January | 5,328 | 964 |
| Exchange adjustment | 9 | 0 |
| Depreciation for the year | 1,373 | 74 |
| Reversal of impairment and depreciation of sold assets | -172 | 0 |
| Impairment losses and depreciation at 31 December | <u>6,538</u> | <u>1,038</u> |
| Carrying amount at 31 December | <u>5,053</u> | <u>223</u> |

Notes to the Financial Statements

| | Parent company | |
|---------------------------------------|-------------------------|-------------------------|
| | 2023 | 2022 |
| | TDKK | TDKK |
| 9. Investments in subsidiaries | | |
| Cost at 1 January | 58,090 | 58,326 |
| Additions for the year | 1,935 | 0 |
| Disposals for the year | 0 | -236 |
| Cost at 31 December | <u>60,025</u> | <u>58,090</u> |
| Value adjustments at 1 January | 1,288,346 | 1,270,818 |
| Exchange adjustment | 2,968 | -55 |
| Net profit/loss for the year | 48,424 | 69,937 |
| Dividend to the Parent Company | -95,140 | -52,771 |
| Other adjustments | -3,123 | 417 |
| Transfers for the year | -744 | 0 |
| Value adjustments at 31 December | <u>1,240,731</u> | <u>1,288,346</u> |
| Carrying amount at 31 December | <u>1,300,756</u> | <u>1,346,436</u> |

Investments in subsidiaries are specified as follows:

| Name | Place of registered office | Ownership |
|------------------------------|----------------------------|-----------|
| Esplanaden Immobilien I GmbH | Germany | 100% |
| Esplanaden Berlin Invest ApS | Denmark | 100% |
| Berlin Nyborg Holding ApS | Denmark | 67% |
| BamBau GmbH | Germany | 60% |
| REK Berlin Home Service GmbH | Germany | 60% |

Esplanaden Immobilien I GmbH owns shares in 23 German subsidiaries. The share of ownership amounts to 52 % to 100 %.

Disclosures on subsidiaries have been omitted in accordance with § 97a of the Danish Financial Statements Act.

Notes to the Financial Statements

| | Group | | Parent company | |
|---|----------------|----------------|----------------|----------|
| | 2023 | 2022 | 2023 | 2022 |
| | TDKK | TDKK | TDKK | TDKK |
| 10. Investments in associates | | | | |
| Cost at 1 January | 38,478 | 48,579 | 1,124 | 1,124 |
| Net effect from demerger and business sale | 0 | -10,101 | 0 | 0 |
| Additions for the year | 3,316 | 0 | 44 | 0 |
| Disposals for the year | -744 | 0 | -744 | 0 |
| Cost at 31 December | 41,050 | 38,478 | 424 | 1,124 |
| Value adjustments at 1 January | 107,248 | 107,818 | -1,124 | -882 |
| Exchange adjustment | 317 | -9 | 0 | 0 |
| Net profit/loss for the year | 5,944 | 7,114 | -44 | -242 |
| Dividends received | -7,172 | -7,710 | 0 | 0 |
| Fair value adjustment of hedging instruments for the year | -190 | 35 | 0 | 0 |
| Transfers for the year | 744 | 0 | 744 | 0 |
| Value adjustments at 31 December | 106,891 | 107,248 | -424 | -1,124 |
| Carrying amount at 31 December | 147,941 | 145,726 | 0 | 0 |

Investments in associates are specified as follows:

| Name | Place of registered office | Ownership |
|---|----------------------------|-----------|
| Berlin KGI A/S | Denmark | 18% |
| REMH ApS | Denmark | 42% |
| Kurt-Franke Grundstücksgesellschaft mbH & Co. Baustoffhandel KG | Germany | 25% |

Notes to the Financial Statements

11. Other fixed asset investments

| | Group | | | Parent company |
|---------------------------------------|-------------------|---------------|-------------------|-------------------|
| | Other investments | Deposits | Other receivables | Other receivables |
| | TDKK | TDKK | TDKK | TDKK |
| Cost at 1 January | 1,884 | 17,102 | 6,659 | 1,539 |
| Additions for the year | 0 | 1,181 | 409 | 0 |
| Disposals for the year | -1,078 | 0 | -2,317 | -1,539 |
| Cost at 31 December | 806 | 18,283 | 4,751 | 0 |
| Carrying amount at 31 December | 806 | 18,283 | 4,751 | 0 |

12. Prepayments

Prepayments consist of prepaid expenses.

13. Share capital

The share capital consists of 3,000 shares of a nominal value of TDKK 5. No shares carry any special rights.

| | Group | | Parent company | |
|---|---------|---------|----------------|------|
| | 2023 | 2022 | 2023 | 2022 |
| | TDKK | TDKK | TDKK | TDKK |
| 14. Provision for deferred tax | | | | |
| Deferred tax liabilities at 1 January | 269,186 | 268,366 | 0 | 0 |
| Other adjustments | 595 | -1 | 0 | 0 |
| Amounts recognised in the income statement for the year | 5,979 | 821 | 0 | 0 |
| Deferred tax liabilities at 31 December | 275,760 | 269,186 | 0 | 0 |

Notes to the Financial Statements

| Group | | Parent company | |
|--------------|------|-----------------------|------|
| 2023 | 2022 | 2023 | 2022 |
| TDKK | TDKK | TDKK | TDKK |

15. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

Mortgage loans

| | | | | |
|-----------------------|------------------|------------------|----------|----------|
| After 5 years | 744,573 | 581,159 | 0 | 0 |
| Between 1 and 5 years | 256,617 | 195,372 | 0 | 0 |
| Long-term part | 1,001,190 | 776,531 | 0 | 0 |
| Within 1 year | 390,234 | 530,929 | 0 | 0 |
| | 1,391,424 | 1,307,460 | 0 | 0 |

Deposits

| | | | | |
|-----------------------|---------------|---------------|----------|----------|
| After 5 years | 0 | 0 | 0 | 0 |
| Between 1 and 5 years | 25,128 | 17,103 | 0 | 0 |
| Long-term part | 25,128 | 17,103 | 0 | 0 |
| Within 1 year | 0 | 0 | 0 | 0 |
| | 25,128 | 17,103 | 0 | 0 |

16. Deferred income

Deferred income consists of prepayments from lessees.

Notes to the Financial Statements

| | Group | |
|---|---------------|--------------|
| | 2023 | 2022 |
| | TDKK | TDKK |
| 17. Cash flow statement - Adjustments | | |
| Financial income | -135 | -81 |
| Financial expenses | 36,693 | 9,454 |
| Depreciation, amortisation and impairment losses, including losses and gains on sales | 1,373 | 1,433 |
| Value adjustments of assets held for investment | -14,782 | -13,466 |
| Income from investments in associates | -5,955 | -7,114 |
| Tax on profit/loss for the year | 9,321 | 12,262 |
| | 26,515 | 2,488 |

| | Group | |
|--|--------------|--------------|
| | 2023 | 2022 |
| | TDKK | TDKK |
| 18. Cash flow statement - Change in working capital | | |
| Change in inventories | -856 | -180 |
| Change in receivables | -1,118 | -7,045 |
| Change in other provisions | 4,260 | 6,343 |
| Change in trade payables, etc | 5,399 | 3,007 |
| | 7,685 | 2,125 |

19. Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with mortgage credit institutes:

The Group has raised mortgage debt at a carrying amount of DKK 1,391,424 thousand on 31 December 2023, which is secured on investment properties at a carrying amount of DKK 2,912,516 thousand on 31 December 2023.

Deposits under fixed asset investments on 31.12.2023 amount to DKK 18,283 thousand and consist of deposits paid by the lessees held in escrow accounts.

Notes to the Financial Statements

19. Contingent assets, liabilities and other financial obligations

Other contingent liabilities

The Group has two investment properties, which are situated on leased land. The lease agreements run until year 2057 and 2062, respectively. At the expiry of the lease agreement, the building is passed to the owner of the land with compensation payment according to an expert valuation of the fair value.

There are obligations to pay rent for the land until at least 2057. The obligation is DKK 12m.

The Parent Company has guaranteed for the subsidiaries' mortgages. The share of group enterprises' mortgage debt guaranteed by the Company has a carrying amount of DKK 1.000.926 thousand at 31.12.2023.

The Danish group companies are jointly and severally liable for Danish tax on the jointly taxed incomes etc. of the Group. The total amount of Danish corporation tax payable by the Group amounts to TDKK 0. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of Danish corporation taxes and withholding taxes may increase the Company's liability.

20. Related parties

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act. No transactions with related parties have been made, which are not on arm's length basis.

Notes to the Financial Statements

21. Accounting policies

The Annual Report of Esplanaden Berlin Holding A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2023 are presented in TDKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Esplanaden Berlin Holding A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Minority interests

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

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

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Notes to the Financial Statements

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income statement

Revenue

Revenue from property operations includes rental income regarding letting of investment properties and related income from letting out. The lessees contribution to cover the costs of the properties regarding heat supply and contributions to cover operating costs that eventually rest with the lessee are set off against paid costs in the balance sheet as other receivables or payables.

Fair value adjustments of investment property comprise adjustments for the financial year of the Entity's investment properties measured at fair value at the balance sheet date.

Direct expenses

Directs expenses consists of costs directly related to letting of investment properties. Property costs include costs incurred to operate the Entity's properties in the financial year, including repair and maintenance costs, property tax and electricity, water and heating, which are not charged directly from the lessee.

Other external expenses

Other external expenses comprise indirect expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc.

Staff expenses

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

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise depreciation and impairment of property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of plant and equipment.

Income from investments in subsidiaries and associates

The items "Income from investments in subsidiaries" and "Income from investments in associates" in the income statement include the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Notes to the Financial Statements

The parent Company is jointly taxed with wholly owned Danish subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance sheet

Property, plant and equipment

Investment properties

On acquisition investment properties are measured at cost comprising the acquisition price and costs of acquisition, staff expenses and financial expenses directly related to the acquisition up until the time when the asset is ready for use

Fair value is determined by using external assessment and management estimates based on a yield-based model as the calculated value in use of expected cash flows from each property. The calculation is based on budgeted net earnings for the next year that has been adjusted to normal earnings, and using a required yield rate that reflects current market yield rates for similar properties. The value is adjusted for factors not reflected in normal earnings, for example, actual vacancy rate, major refurbishments etc.

Other property, plant and equipment

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

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

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

| | |
|--|-----------|
| Other fixtures and fittings, tools and equipment | 5-7 years |
|--|-----------|

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are recognised and measured under the equity method.

The items "Investments in subsidiaries" and "Investments in associates" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses.

The total net revaluation of investments in subsidiaries and associates is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries and the associates.

Subsidiaries and associates with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Notes to the Financial Statements

Fixed asset investments

Other investments comprise securities and shares measured at cost at the balance sheet date.

Other fixed asset investments

Other fixed asset investments consist of deposits and other receivables.

Inventories

Inventories consist of fuel oil for the properties. Inventories are measured at cost applying the FIFO-method.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Provisions

Other provisions comprise other employee benefits measured at cost.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial liabilities

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Notes to the Financial Statements

Cash Flow Statement

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

| | |
|------------------|--|
| Gross margin | $\text{Gross profit} \times 100 / \text{Revenue}$ |
| Profit margin | $\text{Profit/loss of ordinary primary operations} \times 100 / \text{Revenue}$ |
| Return on assets | $\text{Profit/loss of ordinary primary operations} \times 100 / \text{Total assets at year end}$ |
| Solvency ratio | $\text{Equity at year end} \times 100 / \text{Total assets at year end}$ |
| Return on equity | $\text{Net profit for the year} \times 100 / \text{Average equity}$ |