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# *Berlin Wohnungs Invest K/S*

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

## Annual Report for 2023

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CVR No. 38 03 03 96

The Annual Report was  
presented and adopted  
at the Annual General  
Meeting of the  
company  
on 17/5 2024

Jesper Kim Pedersen  
Chairman of the  
general meeting



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# Management's statement

The Executive Board has today considered and adopted the Annual Report of Berlin Wohnungs Invest K/S for the financial year 1 January - 31 December 2023.

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

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

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

Nyborg, 17 May 2024

**Executive Board**

Komplementaranpartsselskabet for  
Berlin Wohnungs Invest

# Independent Auditor's report

To the shareholders of Berlin Wohnungs Invest K/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 Berlin Wohnungs Invest K/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, 17 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

Berlin Wohnungs Invest K/S  
Gl. Torv 2, 1. 4.  
DK-5800 Nyborg

CVR No: 38 03 03 96

Financial period: 1 January - 31 December

Municipality of reg. office: Nyborg

### Executive Board

Komplementaranpartsselskabet for Berlin Wohnungs Invest

### 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:

|  | <b>Group</b> |         |           |         |         |
|--|--------------|---------|-----------|---------|---------|
|  | 2023         | 2022    | 2021      | 2020    | 2019    |
|  | TDKK         | TDKK    | TDKK      | TDKK    | TDKK    |
| <b>Key figures</b>                               |              |         |           |         |         |
| <b>Profit/loss</b>                               |              |         |           |         |         |
| Revenue  | 42,664       | 40,594  | 37,860    | 35,462  | 34,389  |
| Gross profit                                     | -59,808      | -69,998 | 102,693   | 81,280  | 129,719 |
| Profit/loss of primary operations                | -66,340      | -75,120 | 97,584    | 77,180  | 125,024 |
| Profit/loss of financial income and expenses     | -6,730       | -12,332 | -14,258   | -14,267 | -12,207 |
| Net profit/loss for the year                     | -72,902      | -87,122 | 83,984    | 60,805  | 112,290 |
| <b>Balance sheet</b>                             |              |         |           |         |         |
| Balance sheet total                              | 876,383      | 956,561 | 1,041,087 | 938,084 | 829,394 |
| Investment in property, plant and equipment      | 4,241        | 4,280   | 27,595    | 41,299  | 13,982  |
| Equity   | 368,727      | 441,195 | 528,453   | 444,912 | 404,194 |
| <b>Cash flows</b>                                |              |         |           |         |         |
| Cash flows from:                                 |              |         |           |         |         |
| - operating activities                           | 18,561       | 9,618   | 926       | 5,801   | 1,030   |
| - investing activities                           | -4,799       | -10,776 | -27,804   | -57,632 | -23,914 |
| - financing activities                           | -13,188      | 3,681   | 23,268    | 67,610  | 26,081  |
| Change in cash and cash equivalents for the year | 574          | 2,523   | -3,610    | 15,779  | 3,197   |
| Number of employees                              | 13           | 12      | 13        | 11      | 7       |
| <b>Ratios</b>                                    |              |         |           |         |         |
| Gross margin                                     | -140.2%      | -172.4% | 271.2%    | 229.2%  | 377.2%  |
| Profit margin                                    | -155.5%      | -185.1% | 257.7%    | 217.6%  | 363.6%  |
| Return on assets                                 | -7.6%        | -7.9%   | 9.4%      | 8.2%    | 15.1%   |
| Solvency ratio                                   | 42.1%        | 46.1%   | 50.8%     | 47.4%   | 48.7%   |
| Return on equity                                 | -18.0%       | -18.0%  | 17.3%     | 14.3%   | 31.8%   |



# Management's review

## Key activities

The Group's objective and activity consists of investment in rental property, primarily residential property situated in Berlin. The investments are made through German companies. The parent owns shares and handles the administration.

## Development in the year

The Group's profit for the year amounts to DKK -73,070 thousand before tax, DKK -72,902 thousand after tax, and DKK -65,910 thousand after Minority interests. The profit excl. value adjustment of investment properties is considered satisfactory but slightly below the expectations for the year. The profit for the year is negatively affected by a value adjustment of the investment properties of DKK -86,005 thousand.

Equity incl. minority interests amounts to DKK 368,727 thousand at 31 December 2023 compared to a consolidated balance sheet total of DKK 876,383 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 1.0-1.5% as a result of expected rent adjustment. Profit in 2024 before value adjustment of properties, tax and Minority interest is expected at the same level as in 2023.

## 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   |      | 42,664         | 40,594         | 0              | 0              |
| Value adjustments of assets held for investment                     |      | -86,005        | -98,044        | 0              | 0              |
| Other operating income  |      | 0              | 105            | 0              | 0              |
| Direct expenses   |      | -11,795        | -7,430         | 0              | 0              |
| Other external expenses   |      | -4,672         | -5,223         | -1,144         | -1,166         |
| <b>Gross profit</b>   |      | <b>-59,808</b> | <b>-69,998</b> | <b>-1,144</b>  | <b>-1,166</b>  |
| Staff expenses  | 1    | -6,244         | -4,892         | -356           | -327           |
| Depreciation and impairment losses of property, plant and equipment | 2    | -288           | -230           | 0              | 0              |
| <b>Profit/loss before financial income and expenses</b>             |      | <b>-66,340</b> | <b>-75,120</b> | <b>-1,500</b>  | <b>-1,493</b>  |
| Income from investments in subsidiaries                             |      | 0              | 0              | -65,030        | -80,746        |
| Financial income  | 3    | 589            | 52             | 655            | 144            |
| Financial expenses  |      | -7,319         | -12,384        | -35            | -95            |
| <b>Profit/loss before tax</b>                                       |      | <b>-73,070</b> | <b>-87,452</b> | <b>-65,910</b> | <b>-82,190</b> |
| Tax on profit/loss for the year                                     | 4    | 168            | 330            | 0              | 0              |
| <b>Net profit/loss for the year</b>                                 | 5    | <b>-72,902</b> | <b>-87,122</b> | <b>-65,910</b> | <b>-82,190</b> |

## Balance sheet 31 December

### Assets

|  | Note | Group          |                | Parent company |                |
|--|------|----------------|----------------|----------------|----------------|
|  |      | 2023           | 2022           | 2023           | 2022           |
|  |      | TDKK           | TDKK           | TDKK           | TDKK           |
| Investment properties                            | 6    | 820,022        | 900,038        | 0              | 0              |
| Other fixtures and fittings, tools and equipment | 7    | 584            | 654            | 0              | 0              |
| <b>Property, plant and equipment</b>             |      | <b>820,606</b> | <b>900,692</b> | <b>0</b>       | <b>0</b>       |
| Investments in subsidiaries                      | 8    | 0              | 0              | 298,628        | 362,940        |
| Other investments                                | 9    | 3              | 3              | 0              | 0              |
| Deposits   | 9    | 6,519          | 6,464          | 0              | 0              |
| Other receivables                                | 9    | 6,702          | 6,494          | 686            | 598            |
| <b>Fixed asset investments</b>                   |      | <b>13,224</b>  | <b>12,961</b>  | <b>299,314</b> | <b>363,538</b> |
| <b>Fixed assets</b>                              |      | <b>833,830</b> | <b>913,653</b> | <b>299,314</b> | <b>363,538</b> |
| Raw materials and consumables                    |      | 276            | 336            | 0              | 0              |
| <b>Inventories</b>                               |      | <b>276</b>     | <b>336</b>     | <b>0</b>       | <b>0</b>       |
| Trade receivables                                |      | 643            | 1,591          | 0              | 0              |
| Receivables from group enterprises               |      | 0              | 0              | 22,071         | 23,075         |
| Other receivables                                |      | 2,180          | 1,681          | 0              | 0              |
| Prepayments                                      | 10   | 0              | 455            | 0              | 0              |
| <b>Receivables</b>                               |      | <b>2,823</b>   | <b>3,727</b>   | <b>22,071</b>  | <b>23,075</b>  |
| Cash at bank and in hand                         |      | 39,454         | 38,845         | 227            | 277            |
| <b>Current assets</b>                            |      | <b>42,553</b>  | <b>42,908</b>  | <b>22,298</b>  | <b>23,352</b>  |
| <b>Assets</b>                                    |      | <b>876,383</b> | <b>956,561</b> | <b>321,612</b> | <b>386,890</b> |

## Balance sheet 31 December

### Liabilities and equity

|  | Note | Group          |                | Parent company |                |
|--|------|----------------|----------------|----------------|----------------|
|  |      | 2023           | 2022           | 2023           | 2022           |
|  |      | TDKK           | TDKK           | TDKK           | TDKK           |
| Share capital  | 11   | 150,000        | 150,000        | 150,000        | 150,000        |
| Reserve for net revaluation under the equity method              |      | 0              | 0              | 155,320        | 219,632        |
| Reserve for exchange rate conversion                             |      | -760           | -1,546         | 0              | 0              |
| Retained earnings  |      | 172,185        | 238,163        | 16,105         | 16,985         |
| <b>Equity attributable to shareholders of the Parent Company</b> |      | <b>321,425</b> | <b>386,617</b> | <b>321,425</b> | <b>386,617</b> |
| Minority interests   |      | 47,302         | 54,578         | 0              | 0              |
| <b>Equity</b>  |      | <b>368,727</b> | <b>441,195</b> | <b>321,425</b> | <b>386,617</b> |
| Mortgage loans   |      | 473,720        | 322,513        | 0              | 0              |
| Deposits   |      | 6,530          | 6,476          | 0              | 0              |
| <b>Long-term debt</b>  | 12   | <b>480,250</b> | <b>328,989</b> | <b>0</b>       | <b>0</b>       |
| Mortgage loans   | 12   | 12,805         | 175,996        | 0              | 0              |
| Trade payables   |      | 4,564          | 4,875          | 160            | 261            |
| Corporation tax  |      | 27             | 925            | 0              | 0              |
| Other payables   |      | 8,834          | 2,485          | 27             | 12             |
| Deferred income  | 13   | 1,176          | 2,096          | 0              | 0              |
| <b>Short-term debt</b>   |      | <b>27,406</b>  | <b>186,377</b> | <b>187</b>     | <b>273</b>     |
| <b>Debt</b>  |      | <b>507,656</b> | <b>515,366</b> | <b>187</b>     | <b>273</b>     |
| <b>Liabilities and equity</b>                                    |      | <b>876,383</b> | <b>956,561</b> | <b>321,612</b> | <b>386,890</b> |
| Contingent assets, liabilities and other financial obligations   | 16   |                |                |                |                |
| Related parties  | 17   |                |                |                |                |
| Accounting Policies  | 18   |                |                |                |                |

## 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          | 150,000        | -1,546                               | 238,163           | 386,617                         | 54,578             | 441,195        |
| Exchange adjustments         | 0              | 786                                  | 0                 | 786                             | 119                | 905            |
| Other equity movements       | 0              | 0                                    | -68               | -68                             | -403               | -471           |
| Net profit/loss for the year | 0              | 0                                    | -65,910           | -65,910                         | -6,992             | -72,902        |
| <b>Equity at 31 December</b> | <b>150,000</b> | <b>-760</b>                          | <b>172,185</b>    | <b>321,425</b>                  | <b>47,302</b>      | <b>368,727</b> |

### Parent company

|                              | Share capital  | Reserve for net revaluation under the equity method | Retained earnings | Total          |
|------------------------------|----------------|---|-------------------|----------------|
|                              | TDKK           | TDKK  | TDKK              | TDKK           |
| Equity at 1 January          | 150,000        | 219,632   | 16,985            | 386,617        |
| Exchange adjustments         | 0              | 786   | 0                 | 786            |
| Other equity movements       | 0              | -68   | 0                 | -68            |
| Net profit/loss for the year | 0              | -65,030   | -880              | -65,910        |
| <b>Equity at 31 December</b> | <b>150,000</b> | <b>155,320</b>                                      | <b>16,105</b>     | <b>321,425</b> |

## Cash flow statement 1 January - 31 December

|   | Note | Group          |                |
|---|------|----------------|----------------|
|   |      | 2023           | 2022           |
|   |      | TDKK           | TDKK           |
| Result of the year                                      |      | -72,902        | -87,122        |
| Adjustments   | 14   | 92,855         | 110,171        |
| Change in working capital                               | 15   | 6,120          | -911           |
| <b>Cash flow from operations before financial items</b> |      | <b>26,073</b>  | <b>22,138</b>  |
| Financial income  |      | 589            | 52             |
| Financial expenses                                      |      | -7,319         | -12,384        |
| <b>Cash flows from ordinary activities</b>              |      | <b>19,343</b>  | <b>9,806</b>   |
| Corporation tax paid                                    |      | -782           | -188           |
| <b>Cash flows from operating activities</b>             |      | <b>18,561</b>  | <b>9,618</b>   |
| Purchase of property, plant and equipment               |      | -218           | -843           |
| Fixed asset investments made etc                        |      | -195           | -5,005         |
| Sale of property, plant and equipment                   |      | 0              | 434            |
| Business acquisition                                    |      | -363           | -1,082         |
| Purchase of investment properties                       |      | -4,023         | -4,280         |
| <b>Cash flows from investing activities</b>             |      | <b>-4,799</b>  | <b>-10,776</b> |
| Repayment of mortgage loans                             |      | -13,188        | -12,747        |
| Repayment of other long-term debt                       |      | 0              | -91,000        |
| Raising of mortgage loans                               |      | 0              | 107,428        |
| <b>Cash flows from financing activities</b>             |      | <b>-13,188</b> | <b>3,681</b>   |
| <b>Change in cash and cash equivalents</b>              |      | <b>574</b>     | <b>2,523</b>   |
| Cash and cash equivalents at 1 January                  |      | 38,845         | 36,278         |
| Exchange adjustment of current asset investments        |      | 35             | 44             |
| <b>Cash and cash equivalents at 31 December</b>         |      | <b>39,454</b>  | <b>38,845</b>  |
| Cash and cash equivalents are specified as follows:     |      |                |                |
| Cash at bank and in hand                                |      | 39,454         | 38,845         |
| <b>Cash and cash equivalents at 31 December</b>         |      | <b>39,454</b>  | <b>38,845</b>  |

## Notes to the Financial Statements

|   | <b>Group</b> |              | <b>Parent company</b> |            |
|---|--------------|--------------|-----------------------|------------|
|   | 2023         | 2022         | 2023                  | 2022       |
|   | TDKK         | TDKK         | TDKK                  | TDKK       |
| <b>1. Staff Expenses</b>  |              |              |                       |            |
| Wages and salaries  | 5,138        | 4,235        | 353                   | 324        |
| Pensions  | 348          | 271          | 0                     | 0          |
| Other social security expenses  | 632          | 377          | 3                     | 3          |
| Other staff expenses  | 126          | 9            | 0                     | 0          |
|   | <b>6,244</b> | <b>4,892</b> | <b>356</b>            | <b>327</b> |
| <b>Including remuneration to the Executive Board and Board of Directors</b>   | <b>815</b>   | <b>788</b>   | <b>414</b>            | <b>376</b> |
| <b>Average number of employees</b>  | <b>13</b>    | <b>12</b>    | <b>1</b>              | <b>1</b>   |
|   |              |              |                       |            |
|   | <b>Group</b> |              | <b>Parent company</b> |            |
|   | 2023         | 2022         | 2023                  | 2022       |
|   | TDKK         | TDKK         | TDKK                  | TDKK       |
| <b>2. Depreciation and impairment losses of property, plant and equipment</b> |              |              |                       |            |
| Depreciation of property, plant and equipment                                 | 288          | 230          | 0                     | 0          |
|   | <b>288</b>   | <b>230</b>   | <b>0</b>              | <b>0</b>   |
|   |              |              |                       |            |
|   | <b>Group</b> |              | <b>Parent company</b> |            |
|   | 2023         | 2022         | 2023                  | 2022       |
|   | TDKK         | TDKK         | TDKK                  | TDKK       |
| <b>3. Financial income</b>  |              |              |                       |            |
| Interest received from group enterprises                                      | 0            | 0            | 574                   | 120        |
| Other financial income  | 539          | 31           | 17                    | 15         |
| Exchange adjustments  | 50           | 21           | 64                    | 9          |
|   | <b>589</b>   | <b>52</b>    | <b>655</b>            | <b>144</b> |

## Notes to the Financial Statements

|   | Group       |             | Parent company |          |
|---|-------------|-------------|----------------|----------|
|   | 2023        | 2022        | 2023           | 2022     |
|   | TDKK        | TDKK        | TDKK           | TDKK     |
| <b>4. Income tax expense</b>                |             |             |                |          |
| Current tax for the year                    | 48          | 216         | 0              | 0        |
| Adjustment of tax concerning previous years | -216        | -546        | 0              | 0        |
|   | <b>-168</b> | <b>-330</b> | <b>0</b>       | <b>0</b> |

|  | Group          |                | Parent company |                |
|--|----------------|----------------|----------------|----------------|
|  | 2023           | 2022           | 2023           | 2022           |
|  | TDKK           | TDKK           | TDKK           | TDKK           |
| <b>5. Profit allocation</b>                                  |                |                |                |                |
| Reserve for net revaluation under the equity method          | 0              | 0              | -65,030        | -80,746        |
| Minority interests' share of net profit/loss of subsidiaries | -6,992         | -4,932         | 0              | 0              |
| Retained earnings  | -65,910        | -82,190        | -880           | -1,444         |
|  | <b>-72,902</b> | <b>-87,122</b> | <b>-65,910</b> | <b>-82,190</b> |



# Notes to the Financial Statements

## 6. Assets measured at fair value

### Group

|                                       | Investment<br>properties |
|---------------------------------------|--------------------------|
|                                       | TDKK                     |
| Cost at 1 January                     | 661,718                  |
| Exchange adjustment                   | 1,459                    |
| Additions for the year                | 4,023                    |
| Cost at 31 December                   | <u>667,200</u>           |
| Value adjustments at 1 January        | 238,320                  |
| Exchange adjustment                   | 525                      |
| Revaluations for the year             | -86,023                  |
| Value adjustments at 31 December      | <u>152,822</u>           |
| <b>Carrying amount at 31 December</b> | <b><u>820,022</u></b>    |

#### 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 properties at a total fair value of DKK 362m. For other properties totaling DKK 458m 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.

Building projects in progress amount to DKK 0,2m, which is added at fair value.

The Group has divided a number of properties into condominiums. No condominiums have been sold, and the properties 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.

Return on the total property portfolio amounts to an average of 4.2% (2022: 3.6%), with an average price factor of 18.7 times the annual rent (2022: 21.0), and an average market price of DKK 15,927 per m<sup>2</sup> (2022: 17,492 per m<sup>2</sup>). If the market price was calculated using an alternative rate of return of 4,5% the fair value would amount to 771m instead.

All the Group's 6 properties are situated in Berlin and are primarily residential properties. Vacancy level for the portfolio is low.

## Notes to the Financial Statements

### 7. Property, plant and equipment Group

|   | Other fixtures<br>and fittings,<br>tools and<br>equipment |
|---|---|
|   | TDKK  |
| Cost at 1 January                                 | 911   |
| Additions for the year                            | 218   |
| Cost at 31 December                               | <u>1,129</u>  |
| Impairment losses and depreciation at 1 January   | 257   |
| Depreciation for the year                         | 288   |
| Impairment losses and depreciation at 31 December | <u>545</u>  |
| <b>Carrying amount at 31 December</b>             | <b><u>584</u></b>   |

## Notes to the Financial Statements

|                                       | Parent company |                |
|---------------------------------------|----------------|----------------|
|                                       | 2023           | 2022           |
|                                       | TDKK           | TDKK           |
| <b>8. Investments in subsidiaries</b> |                |                |
| Cost at 1 January                     | 143,308        | 143,308        |
| Cost at 31 December                   | 143,308        | 143,308        |
| Value adjustments at 1 January        | 219,632        | 300,238        |
| Exchange adjustment                   | 786            | 34             |
| Net profit/loss for the year          | -65,030        | -80,746        |
| Other equity movements, net           | -68            | 106            |
| Value adjustments at 31 December      | 155,320        | 219,632        |
| <b>Carrying amount at 31 December</b> | <b>298,628</b> | <b>362,940</b> |

Investments in subsidiaries are specified as follows:

| Name  | Place of registered office | Ownership |
|---|----------------------------|-----------|
| REK Berlin Wohnungs Invest GmbH & Co. Beteiligungs KG | Germany, Berlin            | 100%      |

REK Berlin Wohnungs Invest GmbH & Co. Beteiligungs KG owns shares in 6 German subsidiaries. Disclosures on subsidiaries have been omitted in accordance with § 97a of the Danish Financial Statements Act.

### 9. Other fixed asset investments

|                                       | Group             |              |                   | Parent company    |                   |
|---------------------------------------|-------------------|--------------|-------------------|-------------------|-------------------|
|                                       | Other investments | Deposits     | Other receivables | Other investments | Other receivables |
|                                       | TDKK              | TDKK         | TDKK              | TDKK              | TDKK              |
| Cost at 1 January                     | 173               | 6,464        | 6,494             | 170               | 598               |
| Additions for the year                | 22                | 55           | 208               | 22                | 88                |
| Cost at 31 December                   | 195               | 6,519        | 6,702             | 192               | 686               |
| Impairment losses at 1 January        | 170               | 0            | 0                 | 170               | 0                 |
| Impairment losses for the year        | 22                | 0            | 0                 | 22                | 0                 |
| Impairment losses at 31 December      | 192               | 0            | 0                 | 192               | 0                 |
| <b>Carrying amount at 31 December</b> | <b>3</b>          | <b>6,519</b> | <b>6,702</b>      | <b>0</b>          | <b>686</b>        |

# Notes to the Financial Statements

## 10. Prepayments

Prepayments consist of prepaid expenses.

## 11. Share capital

|          | Number | Nominal value  |
|----------|--------|----------------|
|          |        | TDKK           |
| A-shares | 90,000 | 90,000         |
| B-shares | 60,000 | 60,000         |
|          |        | <b>150,000</b> |

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

## 12. 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         | 50,816         | 84,286         | 0        | 0        |
| Between 1 and 5 years | 422,904        | 238,227        | 0        | 0        |
| Long-term part        | 473,720        | 322,513        | 0        | 0        |
| Within 1 year         | 12,805         | 175,996        | 0        | 0        |
|                       | <b>486,525</b> | <b>498,509</b> | <b>0</b> | <b>0</b> |

### Deposits

|                       |              |              |          |          |
|-----------------------|--------------|--------------|----------|----------|
| After 5 years         | 0            | 0            | 0        | 0        |
| Between 1 and 5 years | 6,530        | 6,476        | 0        | 0        |
| Long-term part        | 6,530        | 6,476        | 0        | 0        |
| Within 1 year         | 0            | 0            | 0        | 0        |
|                       | <b>6,530</b> | <b>6,476</b> | <b>0</b> | <b>0</b> |

## 13. Deferred income

Deferred income consists of prepayments from lessees.

# Notes to the Financial Statements

|   | Group         |                |
|---|---------------|----------------|
|   | 2023          | 2022           |
|   | TDKK          | TDKK           |
| <b>14. Cash flow statement - Adjustments</b>  |               |                |
| Financial income  | -589          | -52            |
| Financial expenses  | 7,319         | 12,384         |
| Depreciation, amortisation and impairment losses, including losses and gains on sales | 288           | 125            |
| Value adjustments of assets held for investment                                       | 86,005        | 98,044         |
| Tax on profit/loss for the year   | -168          | -330           |
|   | <b>92,855</b> | <b>110,171</b> |

|  | Group        |             |
|--|--------------|-------------|
|  | 2023         | 2022        |
|  | TDKK         | TDKK        |
| <b>15. Cash flow statement - Change in working capital</b> |              |             |
| Change in inventories                                      | 61           | -204        |
| Change in receivables                                      | 911          | -184        |
| Change in trade payables, etc                              | 5,148        | -523        |
|  | <b>6,120</b> | <b>-911</b> |

## 16. 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 486m at 31 December 2023, which is secured on investment properties at a carrying amount of DKK 820m at 31 December 2023. Deposits under fixed asset investments are held in escrow accounts and cover the deposits paid by the lessees.

# Notes to the Financial Statements

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

### Other contingent liabilities

The Group has two investment properties, which are situated on rented land. The lease agreements run until year 2053 and 2065, respectively. At the expiry of the lease agreements, the buildings are passed to the owner of the land with compensation payment according to an expert fair value assessment.

There are obligations to pay rent for the land until at least the year 2065. The obligation is DKK 34m.

A claim has been made for repayment of a reduced rent for a land plot for 2018-2020 total DKK 1.1m. The company has rejected the claim.

## 17. 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

## 18. Accounting policies

The Annual Report of Berlin Wohnungs Invest K/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, Berlin Wohnungs Invest K/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 property, plant and equipment.

### Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes 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 limited partnership is not an independent taxpayer. Consequently, corporate tax is not recognised in the annual report as current and deferred tax are incumbent on the limited partners.

## Balance sheet

### Property, plant and equipment

#### *Investment properties*

Investment properties constitute land and buildings held to earn a return on the invested capital by way of current operating income and/or capital appreciation on sale.

On acquisition investment properties are measured at cost comprising the acquisition price and costs of acquisition

After the initial recognition investment properties are measured at fair value. Value adjustments of investment properties are recognised in the income statement.

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 fixtures and fittings, tools and equipment*

Other fixtures and fittings, tools 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

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

The item "Investments in subsidiaries" 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 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.

# Notes to the Financial Statements

Subsidiaries 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.

## **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.

## **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, 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.

## **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.

# Notes to the Financial Statements

## *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

Gross profit x 100 / Revenue

Profit margin

Profit/loss of ordinary primary operations x 100 / Revenue

Return on assets

Profit/loss of ordinary primary operations x 100 / Total assets at year end

Solvency ratio

Equity at year end x 100 / Total assets at year end

Return on equity

Net profit for the year x 100 / Average equity