
NSF III Living Agorahaverne Holding ApS

Southamptongade 4, DK-2150 Nordhavn

Annual Report for 2024

CVR No. 43 11 48 40

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 15/5 2025

Frederik Balle Jensen
Chairman of the
general meeting



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Management's statement

The Executive Board has today considered and adopted the Annual Report of NSF III Living Agorahaverne Holding ApS for the financial year 1 January - 31 December 2024.

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 2024 of the Company and the Group and of the results of the Company and Group operations for 2024.

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

Nordhavn, 15 May 2025

Executive Board

Thomas Ebbe Riise-Jakobsen

Rune Højby Kock

Nick Holmelund Melgaard

Stine Seneberg

Independent Auditor's report

To the shareholder of NSF III Living Agorahaverne Holding ApS

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 2024 and of the results of the Group's and the Parent Company's operations for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of NSF III Living Agorahaverne Holding ApS for the financial year 1 January - 31 December 2024, 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 ("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.

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.

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.

Independent Auditor's report

- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

Herning, 15 May 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Poul Spencer Poulsen

State Authorised Public Accountant

mne23324

Kasper Ladekjær

State Authorised Public Accountant

mne50738

Company information

The Company	NSF III Living Agorahaverne Holding ApS Southamptongade 4 DK-2150 Nordhavn CVR No: 43 11 48 40 Financial period: 1 January - 31 December Incorporated: 8 March 2022 Financial year: 3rd financial year Municipality of reg. office: Copenhagen
Executive Board	Thomas Ebbe Riise-Jakobsen Rune Højby Kock Nick Holmelund Melgaard Stine Seneberg
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Platanvej 4 DK-7400 Herning

Group Chart

<u>Company</u>	<u>Residence</u>	<u>Ownership</u>
NSF III Living Agorahaverne Holding ApS	Nordhavn	
Agorahaverne 1 ApS	Nordhavn	100%
Hermanhaven ApS	Nordhavn	100%
Ibihaven ApS	Nordhavn	100%
Bodilhaven Holding ApS	Nordhavn	100%
Bodilhaven ApS	Nordhavn	100%
Viggohaven Holding ApS	Nordhavn	100%
Viggohaven ApS	Nordhavn	100%

Income statement 1 January - 31 December

	Note	Group		Parent company	
		2024	2023	2024	2023
		DKK	DKK	DKK	DKK
Gross profit before value adjustments		16,418,170	11,958,603	-538,897	-118,080
Value adjustments of assets held for investment		4,540,235	-50,485,573	0	0
Gross profit after value adjustments		20,958,405	-38,526,970	-538,897	-118,080
Income from investments in subsidiaries		0	0	-18,533,124	-53,900,540
Financial income	3	62,118	1,705,207	5,597,168	6,021,542
Financial expenses	4	-19,616,161	-16,684,464	-6,092,847	-6,524,900
Profit/loss before tax		1,404,362	-53,506,227	-19,567,700	-54,521,978
Tax on profit/loss for the year	5	-8,032,541	11,273,346	-279,139	-19,937
Net profit/loss for the year		-6,628,179	-42,232,881	-19,846,839	-54,541,915

	Parent company	
	2024	2023
	DKK	DKK
Distribution of profit		
Proposed distribution of profit		
Retained earnings	-19,846,839	-54,541,915
	-19,846,839	-54,541,915

Balance sheet 31 December

Assets

	Note	Group		Parent company	
		2024	2023	2024	2023
		DKK	DKK	DKK	DKK
Investment properties		667,656,294	505,808,856	0	0
Property, plant and equipment	6	667,656,294	505,808,856	0	0
Investments in subsidiaries	7	0	0	101,500,000	45,000,000
Receivables from group enterprises		0	0	97,580,541	90,855,008
Fixed asset investments		0	0	199,080,541	135,855,008
Fixed assets		667,656,294	505,808,856	199,080,541	135,855,008
Receivables from group enterprises		40,000	0	0	0
Other receivables		1,742,277	733,477	0	0
Deferred tax asset	8	0	3,701,890	0	6
Prepayments		272,307	1,483,089	0	1,371,589
Receivables		2,054,584	5,918,456	0	1,371,595
Cash at bank and in hand		7,289,670	3,542,121	182,506	1,096,632
Current assets		9,344,254	9,460,577	182,506	2,468,227
Assets		677,000,548	515,269,433	199,263,047	138,323,235

Balance sheet 31 December

Liabilities and equity

	Note	Group		Parent company	
		2024	2023	2024	2023
		DKK	DKK	DKK	DKK
Share capital		50,005	50,003	50,005	50,003
Share premium account		0	0	0	0
Retained earnings		97,124,000	40,503,343	92,045,625	48,643,628
Equity		97,174,005	40,553,346	92,095,630	48,693,631
Provision for deferred tax	8	872,586	0	0	0
Provisions		872,586	0	0	0
Mortgage loans		456,038,808	372,568,957	0	0
Payables to group enterprises		106,529,472	89,523,393	106,529,472	89,523,393
Deposits		6,952,824	7,047,469	0	0
Long-term debt	9	569,521,104	469,139,819	106,529,472	89,523,393
Mortgage loans	9	1,462,953	1,351,445	0	0
Prepayments received from customers		2,583,733	0	0	0
Trade payables		1,738,351	1,651,887	358,783	86,317
Corporation tax		1,072,712	89,261	279,139	19,894
Deposits	9	2,430,981	2,448,500	0	0
Other payables	9	12,510	35,175	23	0
Deferred income	10	131,613	0	0	0
Short-term debt		9,432,853	5,576,268	637,945	106,211
Debt		578,953,957	474,716,087	107,167,417	89,629,604
Liabilities and equity		677,000,548	515,269,433	199,263,047	138,323,235
Key activities	1				
Staff	2				
Contingent assets, liabilities and other financial obligations	11				
Related parties	12				
Accounting Policies	13				

Statement of changes in equity

Group

	Share capital	Share premium account	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	50,003	0	40,503,343	40,553,346
Cash capital increase	2	63,248,836	0	63,248,838
Net profit/loss for the year	0	0	-6,628,179	-6,628,179
Transfer from share premium account	0	-63,248,836	63,248,836	0
Equity at 31 December	50,005	0	97,124,000	97,174,005

Parent company

	Share capital	Share premium account	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	50,003	0	40,503,343	40,553,346
Net effect from change of accounting policy	0	0	8,140,285	8,140,285
Adjusted equity at 1 January	50,003	0	48,643,628	48,693,631
Cash capital increase	2	63,248,836	0	63,248,838
Net profit/loss for the year	0	0	-19,846,839	-19,846,839
Transfer from share premium account	0	-63,248,836	63,248,836	0
Equity at 31 December	50,005	0	92,045,625	92,095,630

Notes to the Financial Statements

1. Key activities

The Groups key activity is to buy, sell and rent out investment property and other related activities considered appropriate by the board of directors.

2. Staff

Average number of employees

	Group		Parent company	
	2024	2023	2024	2023
Average number of employees	0	0	0	0

3. Financial income

Interest received from group enterprises

Other financial income

Exchange adjustments

Exchange gains

	Group		Parent company	
	2024	2023	2024	2023
	DKK	DKK	DKK	DKK
Interest received from group enterprises	0	0	5,596,689	5,062,776
Other financial income	62,080	1,654,157	441	958,766
Exchange adjustments	38	0	38	0
Exchange gains	0	51,050	0	0
	62,118	1,705,207	5,597,168	6,021,542

4. Financial expenses

Interest paid to group enterprises

Other financial expenses

Exchange adjustments, expenses

	Group		Parent company	
	2024	2023	2024	2023
	DKK	DKK	DKK	DKK
Interest paid to group enterprises	6,087,031	6,519,838	6,087,031	6,519,838
Other financial expenses	13,528,883	10,164,560	5,569	4,996
Exchange adjustments, expenses	247	66	247	66
	19,616,161	16,684,464	6,092,847	6,524,900

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	DKK	DKK	DKK	DKK
5. Income tax expense				
Current tax for the year	972,273	960,722	259,245	19,894
Deferred tax for the year	7,042,181	-12,196,043	0	26,808
Adjustment of tax concerning previous years	18,087	0	19,894	0
Adjustment of deferred tax concerning previous years	0	-38,025	0	-26,765
	8,032,541	-11,273,346	279,139	19,937

6. Assets measured at fair value

Group

	Investment properties
	DKK
Cost at 1 January	516,933,949
Net effect from merger and acquisition	163,893,715
Additions for the year	255,137
Cost at 31 December	<u>681,082,801</u>
Value adjustments at 1 January	-11,125,093
Net effect from merger and acquisition	-23,593,715
Revaluations for the year	21,292,301
Value adjustments at 31 December	<u>-13,426,507</u>
Carrying amount at 31 December	<u>667,656,294</u>
Interest expenses recognised as part of cost	<u>18,854,538</u>

Assumptions underlying the determination of fair value of investment properties

Investment properties are measured at fair value. The fair value is calculated by using generally accepted valuation methods (DCF-calculations) based on management's expectations for future cash flows, return requirements, etc. The fair value adjustment for the year has been recognised in the Income Statement

Notes to the Financial Statements

The fair value of investment properties has been calculated based on the following assumptions:

	<u>Group</u>
	<u>2024</u>
The fair value of investment properties amounts to	667,656,294
Value adjustment, income statement	21,292,301
Average WACC	6,75%
Average inflation assumption	2,00%
Exit Yield	4,75%
Budget period	10
Average vacancy, budget period	0,00%

The fair value of investment properties at 31 December 2024 has been assessed by an independent assessor.

The estimates applied are based on information and assumptions considered reasonable by Management but which are inherently uncertain and unpredictable. Actual events or circumstances will probably differ from the assumptions made in the calculations as often assumed events do not occur as expected. Such difference may be material

Sensitivity in determination of fair value of investment properties

An exit yield of 4,75 % has been applied in the market value assessment at 31 December.

Changes in estimated required rate of return for investment properties will affect the value of investment properties recognised in the balance sheet as well as value adjustments carried in the income statement.

Changes in	<u>-0,1%</u>	<u>Base</u>	<u>0.1%</u>
	DKK	DKK	DKK
Rate of return	4.65	4,75	4.85
Fair value	516,686,466	505,808,856	495,379,807
Change in fair value	10,877,610	0	-10,429,049

Notes to the Financial Statements

	Parent company	
	2024	2023
	DKK	DKK
7. Investments in subsidiaries		
Cost at 1 January	98,900,540	39,532,920
Additions for the year	75,033,124	59,367,620
Cost at 31 December	173,933,664	98,900,540
Value adjustments at 1 January	-53,900,540	0
Revaluations for the year, net	-18,533,124	-53,900,540
Value adjustments at 31 December	-72,433,664	-53,900,540
Carrying amount at 31 December	101,500,000	45,000,000

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership	Equity	Net profit/loss for the year
Agorahaverne 1 ApS	Nordhavn	40,000	100%	-421,970	-197,906
Bodilhaven Holding ApS	Nordhavn	50.001	100%	47,742,747	-6,470,291
Viggohaven Holding ApS	Nordhavn	60001	100%	57,420,740	-24,452,839
Hermanhaven ApS	Nordhavn	40.000	100%	-2,091,757	8,376,901
Ibihaven ApS	Nordhavn	50.000	100%	3,266,341	2,512,534
Bodilhaven ApS	Nordhavn	40.001	100%	21,511,688	266,570
Viggohaven ApS	Nordhavn	40.001	100%	21,200,585	2,512,793
				148,628,374	-17,452,238

	Group		Parent company	
	2024	2023	2024	2023
	DKK	DKK	DKK	DKK
8. Provision for deferred tax				
Deferred tax liabilities at 1 January	-3,701,890	8,322,599	-6	-2,162
Amounts recognised in the income statement for the year	7,042,181	-12,024,489	0	26,808
Amounts recognised in equity for the year	-2,467,705	0	6	-24,652
Deferred tax liabilities at 31 December	872,586	-3,701,890	0	-6

Notes to the Financial Statements

Group		Parent company	
2024	2023	2024	2023
DKK	DKK	DKK	DKK

9. 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	266,749,883	255,697,370	0	0
Between 1 and 5 years	189,288,925	116,871,587	0	0
Long-term part	456,038,808	372,568,957	0	0
Within 1 year	1,462,953	1,351,445	0	0
	457,501,761	373,920,402	0	0

Payables to group enterprises

After 5 years	106,529,472	33,599,432	106,529,472	124,523,393
Between 1 and 5 years	0	55,923,961	0	-35,000,000
Long-term part	106,529,472	89,523,393	106,529,472	89,523,393
Within 1 year	0	0	0	0
	106,529,472	89,523,393	106,529,472	89,523,393

Deposits

After 5 years	0	0	0	0
Between 1 and 5 years	6,952,824	7,047,469	0	0
Long-term part	6,952,824	7,047,469	0	0
Other deposits	2,430,981	2,448,500	0	0
	9,383,805	9,495,969	0	0

10. Deferred income

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

Notes to the Financial Statements

Group		Parent company	
2024	2023	2024	2023
DKK	DKK	DKK	DKK

11. Contingent assets, liabilities and other financial obligations

Charges and security

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

Mortgage deeds registered to the mortgagor totalling kDKK 383.870, providing security on land and buildings as well as other property, plant and equipment at a total carrying amount of:

667,656,294	505,808,856	0	0
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The following assets have been placed as security with bankers:

The parent companies shares in subsidiaries, providing security for bank debt in Hermanhaven ApS, Ibihaven ApS and Bodilhaven ApS

Guarantee obligations

The parent company has provided a guarantee for bank debt in Hermanhaven ApS, Ibihaven ApS and Bodilhaven ApS

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of NSF III Denmark Advisory ApS, which is the management company of the joint taxation purposes. Moreover, the 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 corporation taxes and withholding taxes may increase the Company's liability.

12. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

Name	Place of registered office
NREP Nordic Strategies Fund III LP	Luxembourg

Notes to the Financial Statements

13. Accounting policies

The Annual Report of NSF III Living Agorahaverne Holding ApS for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2024 are presented in DKK.

Changes in accounting policies

The parent company has changed accounting policies for measuring investment in subsidiaries from the equity method to cost method. The change has not resulted in neither increase or decrease of earnings and equity for the current year. The change has been implemented to better reflect a true and fair view of the company's involvement and holding activities over the subsidiaries.

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, NSF III Living Agorahaverne Holding ApS, 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.

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.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences 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. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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 transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Notes to the Financial Statements

Income statement

Revenue

Revenue from rental income is recognised in the income statement at amounts relating to the financial year when revenue can be measured reliably and it is probable that the economic benefits will flow to the Company. Revenue is recognised exclusive of VAT and net of discounts.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income and other external expenses.

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.

Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

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.

The Company is jointly taxed with NSF III Denmark Advisory ApS. The tax effect of the joint taxation with the subsidiaries is allocated to enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Balance sheet

Property, plant and equipment

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. The cost of own constructed assets comprises the acquisition price and expenses directly related to the acquisition, including costs of acquisition and indirect expenses for labour, materials, components and suppliers up until the time when the asset is ready for use.

Notes to the Financial Statements

Interest expenses on loans contracted directly for financing the construction of properties are recognised in cost over the construction period.

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

In Management's opinion the classification of the properties as investment properties did not cause any difficulties.

Fair value is the amount for which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction on the balance sheet date. The determination of fair value involves material accounting estimates.

The fair value of investment properties has been assessed by the independent assessor firm Colliers at 31 December 2024

The estimates applied are based on information and assumptions considered reasonable by Management but which are inherently uncertain and unpredictable. Actual events or circumstances will probably differ from the assumptions made in the calculations as often assumed events do not occur as expected. Such difference may be material. The assumptions applied are disclosed in the notes.

Discounted Cash Flow model

The fair value of investment properties has been determined at 31 December 2024 for each property by using a Discounted Cash Flow model under which expected future cash flows are discounted to present value. The calculations are based on property budgets for the coming years. Allowance has been made for developments in rentals, vacancies, operating expenses, maintenance and administration, etc. The individual, budgeted cash flows are discounted at an individually fixed discount rate added a terminal value. The value thus calculated is adjusted for any non-operating assets such as cash and cash equivalents, deposits, etc if they are not shown separately in the balance sheet.

The value thus calculated is adjusted for any non-operating assets such as cash and cash equivalents, deposits, etc if they are not shown separately in the balance sheet.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

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.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

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. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Notes to the Financial Statements

Deferred tax assets, including the tax base of tax loss carry-forwards, 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.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

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.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

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.