
Esplanaden Berlin Holding A/S

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

Annual Report for 2024

CVR No. 27 96 35 36

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 12/6 2025

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 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 and of consolidated cash flows for 2024.

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, 12 June 2025

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 2024 and of the results of the Group's and the Parent Company's operations as well as of the consolidated cash flows 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 Esplanaden Berlin Holding A/S 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, 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.
- 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 and the Parent Company 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.

Independent Auditor's report

Odense M, 12 June 2025

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				
	2024	2023	2022	2021	2020
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	126,752	126,252	114,100	104,692	99,037
Gross profit	154,356	121,188	100,181	368,159	217,941
Profit/loss of primary operations	98,616	82,743	74,841	325,442	188,524
Profit/loss of financial income and expenses	-50,515	-30,603	-2,259	17,925	32,417
Net profit/loss for the year	37,995	42,819	60,320	287,647	186,028
Balance sheet					
Balance sheet total	3,291,622	3,179,848	3,126,626	2,791,689	2,373,447
Investment in property, plant and equipment	89,999	65,273	66,084	156,024	48,939
Equity	1,377,290	1,338,191	1,397,811	1,336,359	1,096,497
Cash flows					
Cash flows from:					
- operating activities	29,245	27,799	49,114	64,299	36,202
- investing activities	-39,762	-28,439	-63,079	-84,360	-44,610
- financing activities	40,376	4,017	9,280	20,481	-12,983
Change in cash and cash equivalents for the year	29,859	3,377	-4,685	420	-21,391
Number of employees	74	61	38	29	35
Ratios					
Gross margin	121.8%	96.0%	87.8%	351.7%	220.1%
Profit margin	77.8%	65.5%	65.6%	310.9%	190.4%
Return on assets	3.0%	2.6%	2.4%	11.7%	7.9%
Solvency ratio	41.8%	42.1%	44.7%	47.9%	46.2%
Return on equity	2.8%	3.1%	4.4%	23.6%	18.5%

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 48,101 thousand before tax and DKK 37,995 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 32,607 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 1,377,290 thousand at 31 December 2024 compared to a consolidated balance sheet total of DKK 3,291,622 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 2025 is expected to increase by 5-7% as a result of expected rent adjustment and acquisition of properties. Profit in 2025 before value adjustment of properties, tax and minority interests is expected to increase by 150-170% due to decrease 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	
		2024	2023	2024	2023
		TDKK	TDKK	TDKK	TDKK
Revenue		126,752	126,252	0	0
Work on own account recognised in assets		5,322	2,580	0	0
Value adjustments of assets held for investment		32,607	14,782	0	0
Other operating income		26,317	11,758	0	0
Direct expenses		-19,270	-21,545	0	0
Other external expenses		-17,372	-12,639	-2,700	-2,709
Gross profit		154,356	121,188	-2,700	-2,709
Staff expenses	1	-44,032	-33,220	-6,754	-7,781
Depreciation and impairment losses of property, plant and equipment	2	-2,602	-1,373	-56	-74
Other operating expenses		-9,106	-3,852	0	0
Profit/loss before financial income and expenses		98,616	82,743	-9,510	-10,564
Income from investments in subsidiaries		0	0	41,951	48,424
Income from investments in associates		4,255	5,955	0	-44
Financial income	3	1,036	135	376	680
Financial expenses	4	-55,806	-36,693	-68	-11
Profit/loss before tax		48,101	52,140	32,749	38,485
Tax on profit/loss for the year	5	-10,106	-9,321	5	5
Net profit/loss for the year	6	37,995	42,819	32,754	38,490

Balance sheet 31 December

Assets

	Note	Group		Parent company	
		2024	2023	2024	2023
		TDKK	TDKK	TDKK	TDKK
Investment properties	7	2,985,408	2,912,516	0	0
Other fixtures and fittings, tools and equipment	8	7,836	5,053	167	223
Property, plant and equipment		2,993,244	2,917,569	167	223
Investments in subsidiaries	9	0	0	1,340,903	1,300,756
Investments in associates	10	151,826	147,941	0	0
Other investments	11	823	806	0	0
Deposits	11	18,549	18,283	0	0
Other receivables	11	4,408	4,751	0	0
Fixed asset investments		175,606	171,781	1,340,903	1,300,756
Fixed assets		3,168,850	3,089,350	1,341,070	1,300,979
Raw materials and consumables		1,680	1,751	0	0
Inventories		1,680	1,751	0	0
Trade receivables		1,433	2,670	6	0
Receivables from group enterprises		0	0	801	2,403
Receivables from associates		965	1,516	965	1,516
Other receivables	12	16,490	12,990	601	808
Prepayments	13	2,552	1,850	262	159
Receivables		21,440	19,026	2,635	4,886
Cash at bank and in hand		99,652	69,721	3,198	1,052
Current assets		122,772	90,498	5,833	5,938
Assets		3,291,622	3,179,848	1,346,903	1,306,917

Balance sheet 31 December

Liabilities and equity

	Note	Group		Parent company	
		2024	2023	2024	2023
		TDKK	TDKK	TDKK	TDKK
Share capital	14	15,000	15,000	15,000	15,000
Reserve for net revaluation under the equity method		0	0	1,224,494	1,191,536
Reserve for exchange rate conversion		-326	-1,481	0	0
Retained earnings		1,224,820	1,193,017	0	0
Equity attributable to shareholders of the Parent Company		1,239,494	1,206,536	1,239,494	1,206,536
Minority interests		137,796	131,655	0	0
Equity		1,377,290	1,338,191	1,239,494	1,206,536
Provision for deferred tax	15	284,487	275,760	0	0
Other provisions		101,141	97,479	101,141	97,479
Provisions		385,628	373,239	101,141	97,479
Mortgage loans		977,591	1,001,190	0	0
Deposits		25,936	25,128	0	0
Long-term debt	16	1,003,527	1,026,318	0	0
Mortgage loans	16	429,124	390,234	0	0
Credit institutions		42,756	13,960	13	13
Trade payables		12,197	11,032	171	258
Payables to group enterprises		0	0	5,849	2,060
Payables to owners and Management		2	14	0	0
Corporation tax		4,037	2,681	0	0
Other payables		27,319	17,769	235	571
Deferred income	17	9,742	6,410	0	0
Short-term debt		525,177	442,100	6,268	2,902
Debt		1,528,704	1,468,418	6,268	2,902
Liabilities and equity		3,291,622	3,179,848	1,346,903	1,306,917

Balance sheet 31 December

Liabilities and equity

	Note	Group		Parent company	
		2024	2023	2024	2023
		TDKK	TDKK	TDKK	TDKK
Contingent assets, liabilities and other financial obligations	20				
Related parties	21				
Subsequent events	22				
Accounting Policies	23				

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	-1,481	1,193,017	1,206,536	131,655	1,338,191
Exchange adjustments	0	1,155	0	1,155	136	1,291
Extraordinary dividend paid	0	0	0	0	-987	-987
Fair value adjustment of hedging instruments, end of year	0	0	303	303	0	303
Other equity movements	0	0	-951	-951	1,448	497
Net profit/loss for the year	0	0	32,451	32,451	5,544	37,995
Equity at 31 December	15,000	-326	1,224,820	1,239,494	137,796	1,377,290

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	1,191,536	0	1,206,536
Exchange adjustments	0	1,155	0	1,155
Dividend from group enterprises	0	-2,013	2,013	0
Other equity movements	0	-951	0	-951
Transfers, reserves	0	-7,184	7,184	0
Net profit/loss for the year	0	41,951	-9,197	32,754
Equity at 31 December	15,000	1,224,494	0	1,239,494

Cash flow statement 1 January - 31 December

	Note	Group	
		2024	2023
		TDKK	TDKK
Result of the year		37,995	42,819
Adjustments	18	30,616	26,515
Change in working capital	19	15,692	7,685
Cash flow from operations before financial items		84,303	77,019
Financial income		1,036	135
Financial expenses		-55,806	-36,693
Cash flows from ordinary activities		29,533	40,461
Corporation tax paid		-288	-12,662
Cash flows from operating activities		29,245	27,799
Purchase of property, plant and equipment		-89,999	-65,273
Fixed asset investments made etc		-2,178	-2,194
Sale of property, plant and equipment		49,726	31,856
Dividends received from associates		2,689	7,172
Cash flows from investing activities		-39,762	-28,439
Repayment of mortgage loans		-28,953	-297,523
Raising of mortgage loans		42,915	378,586
Raising of loans from credit institutions		28,796	13,941
Raising of other long-term debt		808	6,844
Dividend paid		-987	-92,615
Other regulations on company formation, minority interests etc.		-2,203	-5,216
Cash flows from financing activities		40,376	4,017
Change in cash and cash equivalents		29,859	3,377
Cash and cash equivalents at 1 January		69,721	66,203
Exchange adjustment of current asset investments		72	141
Cash and cash equivalents at 31 December		99,652	69,721
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		99,652	69,721
Cash and cash equivalents at 31 December		99,652	69,721

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
1. Staff expenses				
Wages and salaries	39,225	29,629	6,531	7,493
Pensions	1,909	1,344	0	0
Other social security expenses	2,390	1,739	49	39
Other staff expenses	508	508	174	249
	44,032	33,220	6,754	7,781
Including remuneration to the Executive Board and Board of Directors	7,895	7,438	4,642	5,752
Average number of employees	74	61	5	3

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	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
2. Depreciation and impairment losses of property, plant and equipment				
Depreciation of property, plant and equipment	2,602	1,373	56	74
	2,602	1,373	56	74

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
3. Financial income				
Interest from group enterprises	0	0	35	635
Interest from associates	26	35	26	35
Other financial income	1,003	91	308	10
Exchange adjustments	7	0	7	0
Exchange gains	0	9	0	0
	1,036	135	376	680

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
4. Financial expenses				
Interest to group enterprises	0	0	61	3
Other financial expenses	55,799	36,685	0	0
Exchange adjustments, expenses	7	8	7	8
	55,806	36,693	68	11

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
5. Income tax expense				
Current tax for the year	2,737	2,428	0	0
Deferred tax for the year	8,462	5,979	0	0
Adjustment of tax concerning previous years	-1,093	914	-5	-5
	10,106	9,321	-5	-5

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
6. Profit allocation				
Extraordinary dividend paid	0	90,000	0	90,000
Reserve for net revaluation under the equity method	0	0	41,951	48,380
Minority interests' share of net profit/loss of subsidiaries	5,544	4,329	0	0
Retained earnings	32,451	-51,510	-9,197	-99,890
	37,995	42,819	32,754	38,490

Notes to the Financial Statements

7. Assets measured at fair value

Group

	Investment properties
	TDKK
Cost at 1 January	1,628,808
Exchange adjustment	1,565
Additions for the year	84,631
Disposals for the year	-31,497
Transfers for the year	34
Cost at 31 December	<u>1,683,541</u>
Value adjustments at 1 January	1,283,708
Exchange adjustment	1,228
Revaluations for the year	26,030
Reversal of revaluations of sold assets	-9,099
Value adjustments at 31 December	<u>1,301,867</u>
Carrying amount at 31 December	<u>2,985,408</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 882m. For other properties totaling DKK 1,846m 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 26m (2023: DKK 51m).

Return on the total property portfolio amounts to an average of 4.0% (2023: 4.0%), with an average price factor of 20.5 times the annual rent (2023: 20.8), and an average market price of DKK 20,285 per m² (2023: DKK 19,914 per m²). If the market price was calculated using an alternative rate of return of 4.5% the fair value would amount to DKK 2,443m 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 DKK 99.0m 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 31,469 per m².

Building projects in progress amount to DKK 158.6m , 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	11,591	1,261
Exchange adjustment	33	0
Additions for the year	5,368	0
Cost at 31 December	<u>16,992</u>	<u>1,261</u>
Impairment losses and depreciation at 1 January	6,539	1,038
Exchange adjustment	15	0
Depreciation for the year	2,602	56
Impairment losses and depreciation at 31 December	<u>9,156</u>	<u>1,094</u>
Carrying amount at 31 December	<u>7,836</u>	<u>167</u>

Notes to the Financial Statements

	Parent company	
	2024	2023
	TDKK	TDKK
9. Investments in subsidiaries		
Cost at 1 January	60,025	58,090
Additions for the year	0	1,935
Cost at 31 December	<u>60,025</u>	<u>60,025</u>
Value adjustments at 1 January	1,240,731	1,288,346
Exchange adjustment	1,155	2,968
Net profit/loss for the year	41,951	48,424
Dividend to the Parent Company	-2,013	-95,140
Other adjustments	-946	-3,123
Transfers for the year	0	-744
Value adjustments at 31 December	<u>1,280,878</u>	<u>1,240,731</u>
Carrying amount at 31 December	<u>1,340,903</u>	<u>1,300,756</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 51 % to 100 %.

Disclosures on subsidiaries have been omitted in accordance with § 97a, paragraph 4 of the Danish Financial Statements Act.

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
10. Investments in associates				
Cost at 1 January	41,050	38,478	424	1,124
Additions for the year	2,161	3,316	0	44
Disposals for the year	0	-744	0	-744
Cost at 31 December	43,211	41,050	424	424
Value adjustments at 1 January	106,891	107,248	-424	-1,124
Exchange adjustment	173	317	0	0
Net profit/loss for the year	4,240	5,944	0	-44
Dividends received	-2,689	-7,172	0	0
Fair value adjustment of hedging instruments for the year	0	-190	0	0
Transfers for the year	0	744	0	744
Value adjustments at 31 December	108,615	106,891	-424	-424
Carrying amount at 31 December	151,826	147,941	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

	Other investments	Deposits	Other receivables
	TDKK	TDKK	TDKK
Cost at 1 January	806	18,283	4,751
Additions for the year	17	266	22
Disposals for the year	0	0	-365
Cost at 31 December	823	18,549	4,408
Carrying amount at 31 December	823	18,549	4,408

Group		Parent company	
2024	2023	2024	2023
TDKK	TDKK	TDKK	TDKK

12. Derivative financial instruments

Derivative financial instruments contracts in the form of interest rate swaps have been concluded. At the balance sheet date, the fair value of derivative financial instruments amounts to:

Assets	303	0	303	0
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Interest rate swap contract has been concluded to hedge future interest payments on floating rate loans. The contract has a term of 36 months. Under the contracts, an interest rate of EURIBOR 3M is exchanged for a fixed rate of interest of 2.1% on loans with a principal amount of TDKK 272,290. At the balance sheet date, the fair value of the interest rate swap amounts to TDKK 303.

13. Prepayments

Prepayments consist of prepaid expenses.

14. Share capital

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

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
15. Provision for deferred tax				
Deferred tax liabilities at 1 January	275,760	269,186	0	0
Other adjustments	265	595	0	0
Amounts recognised in the income statement for the year	8,462	5,979	0	0
Deferred tax liabilities at 31 December	284,487	275,760	0	0

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
16. 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	790,111	744,573	0	0
Between 1 and 5 years	187,480	256,617	0	0
Long-term part	977,591	1,001,190	0	0
Within 1 year	429,124	390,234	0	0
	1,406,715	1,391,424	0	0
Deposits				
After 5 years	0	0	0	0
Between 1 and 5 years	25,936	25,128	0	0
Long-term part	25,936	25,128	0	0
Within 1 year	0	0	0	0
	25,936	25,128	0	0

17. Deferred income

Deferred income consists of prepayments from lessees.

Notes to the Financial Statements

	Group	
	2024	2023
	TDKK	TDKK
18. Cash flow statement - Adjustments		
Financial income	-1,036	-135
Financial expenses	55,806	36,693
Depreciation, amortisation and impairment losses, including losses and gains on sales	2,602	1,373
Value adjustments of assets held for investment	-32,607	-14,782
Income from investments in associates	-4,255	-5,955
Tax on profit/loss for the year	10,106	9,321
	30,616	26,515

	Group	
	2024	2023
	TDKK	TDKK
19. Cash flow statement - Change in working capital		
Change in inventories	71	-856
Change in receivables	-2,071	-1,118
Change in other provisions	3,662	4,260
Change in trade payables, etc	14,030	5,399
	15,692	7,685

20. 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 1,406,715 thousand on 31 December 2024, which is secured on investment properties at a carrying amount of DKK 2,766,255 thousand on 31 December 2024.

Deposits under fixed asset investments on 31.12.2024 amount to DKK 18,549 thousand and consist of deposits paid by the lessees held in escrow accounts.

Notes to the Financial Statements

20. 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 11m.

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 1,029,901 thousand at 31.12.2024.

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.

21. 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.

22. Subsequent events

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

Notes to the Financial Statements

23. Accounting policies

The Annual Report of Esplanaden Berlin Holding A/S for 2024 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 2024 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.

Business acquisitions carried through before 1 July 2018

Minority interests are recognised at the carrying amounts of the acquired assets and liabilities 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.

Notes to the Financial Statements

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.

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.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as "Other receivables" and "Other payables", respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting.

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.

Notes to the Financial Statements

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.

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

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, staff expenses and financial expenses directly related to the acquisition up until the time when the asset is ready for use

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 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.

Notes to the Financial Statements

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.

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.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate Dividend item.

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.

Notes to the Financial Statements

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.

Cash Flow Statement

With reference to section 86(4) of the Danish Financial Statements Act, the Parent Company has not prepared a cash flow statement for the Company itself but has only prepared a cash flow statement for the Group.

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".

Notes to the Financial Statements

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