S·E·E Residential A/S

C/O City Office Center
Hammerensgade 1, 2.
1267 København K

CVR no. 43 57 71 74

ANNUAL REPORT

for the period 13 October to
31 December 2022

Adopted at the annual general meeting on

chairman

S·E·E
Residential A/S

ANNUAL REPORT

Contents

Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of SEE Residential A/S for the financial year 13 October – 31 December 2022.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and parent financial statements give a true and fair view of the company and the group financial position at 31 December 2022 and of the results of the group and the company operations for the financial year 13 October – 31 December 2022.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 30 May 2023

EXECUTIVE BOARD

Jens Kindberg
Director

SUPERVISORY BOARD

Niels Jørgen Pedersen
Chairman

Henrik Deigaard

Georgi Kirov

Independent auditor's report

To the shareholder of SEE Residential A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of SEE Residential A/S for the financial year 13 October - 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for both the group and the parent company as well as consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the group and the parent company's financial position at 31 December 2022 and of the results of the group and the parent company's operations for the financial year 13 October - 31 December 2022 in accordance with the Danish Financial Statements Act.

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 consolidated financial statements and parent company " section of our report. We are independent of the group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and 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 consolidated financial statements and 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 the consolidated financial statements and the parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and parent company 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 consolidated financial statements and parent company financial statements unless management either intends to liquidate the group or the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and parent company financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and parent company 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 consolidated financial statements and parent company 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 consolidated financial statements and parent company 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 consolidated financial statements and parent company 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 consolidated financial statements and parent company 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 company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the consolidated financial statements and parent company financial statements, including the disclosures, and whether the consolidated financial statements and parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient and appropriate audit evidence regarding the financial information for the group's entities or business activities to express an opinion on the consolidated financial statements. We are responsible for directing, supervising and conducting the audit of the group. We alone are 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.

Statement on management's review

Management is responsible for management's review.

Our opinion on the consolidated financial statements and parent company 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 consolidated financial statements and parent company financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the consolidated financial statements and parent company 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, we conclude that management's review is in accordance with the consolidated financial statements and 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 of management's review.

Hellerup, 30. may 2023
CVR no. 33 25 68 76

Crowe

Søren Jonassen
State Authorised Public Accountant
MNE no. mne18488

Company details

The company

SEE Residential A/S
C/O City Office Center
Hammerensgade 1, 2.
1267 København K

Website: www.SEEResidential.com

CVR no.: 43 57 71 74
Reporting period: 13 October – 31 December 2022
Domicile: Copenhagen

Supervisory board

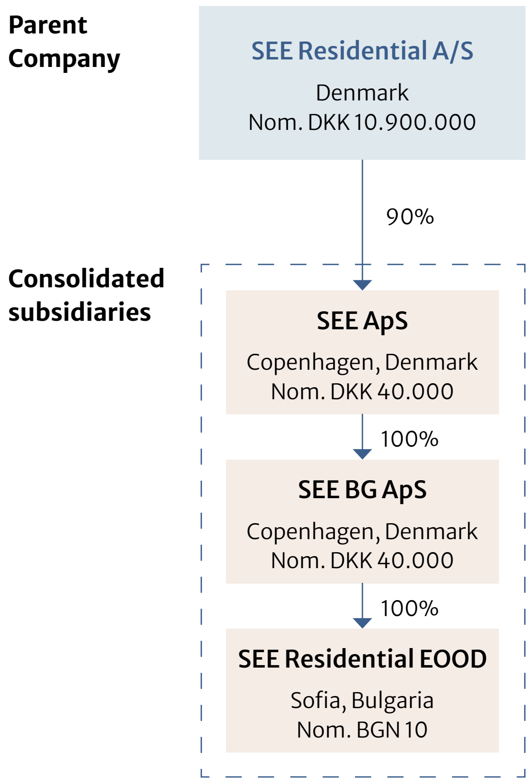
Niels Jørgen Pedersen, chairman
Henrik Deigaard
Georgi Kirov

Executive board

Jens Kindberg, director

Auditors

Crowe
Statsautoriseret Revisionsinteressentskab v.m.b.a.
Rygårds Allé 104
2900 Hellerup



The figure shows nominal ownership. For further description of the ownership see to page 17

Management's review

Business review
The purpose of the company is to be a holding company as well as a related company. The underlying market exposure is residential properties in Southeast Europe (SEE).

Financial review
The company's consolidated income statement for the year ended 31 December 2022 shows a profit of DKK 398t.

The consolidated balance sheet at 31 December 2022 shows equity of DKK 11,754t

Significant events occurring after the end of the financial year
No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Property Portfolio

SEE Residential A/S owns Antim I 103, which is the first of four properties, to be delivered to our portfolio.

The next three properties have already been identified and will be available for purchase from Sofia Residential A/S based on valuation once these are finalised and subject to both the management of Sofia Residential A/S and the management of SEE Residential A/S wish to trade at these prices.

All the properties are located in the centre of Sofia in what would correspond to Copenhagen K – i.e. within walking distance to the city's central hubs. The portfolio below is a total of 162 rental units.

The plan is to grow the rental portfolio to 1,000 units within the next 10 years.

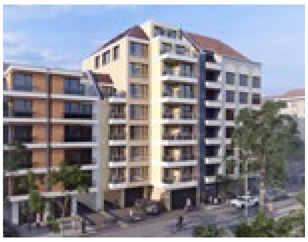
As the company ensures that the apartments are fully matriculated, it also increases the potential sales value if the company ever wants to sell the portfolio, as the apartments can, for example, be sold individually to private individuals or as a complete building to a professional investor.

The fair market value of our real estate portfolio is measured based on external valuations of the individual real estate. The external valuation of the real estate is made by an authorized valuation specialist in the market where the real estate is located, and it is based on international assessment standards using the comparative method where the valuation is the result of a direct comparison of the valued asset with an analysis of recent sales and/or offers of similar assets to arrive at an indication of its most likely value.


Antim I 103
32 units

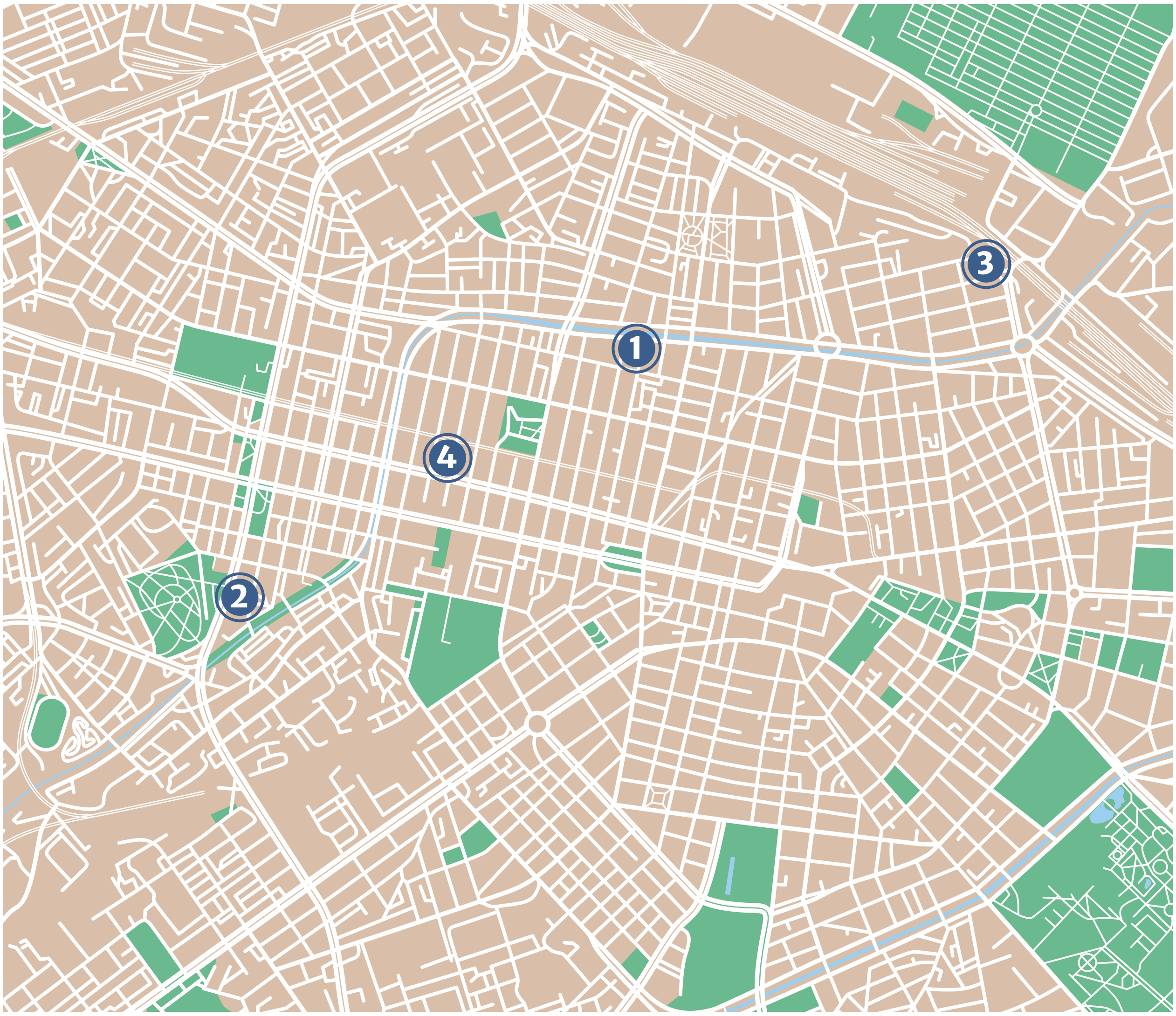

Zaychar 220
52 units


Rodopi 55
26 units




Bulgarske Morava 50
52 units

RENTAL PORTFOLIO



1	2	3	4
Antim I 103	Zaychar 220	Rodopi 55	Bulgarske Morava 50

Organization

The Management is responsible for the daily operations of SEE Residential A/S. In addition, the Management ensures that the Company's bookkeeping follows the applicable rules and regulations, and that the administration of the rental units is carried out professionally by our own staff.

SUPERVISORY BOARD

NIELS JØRGEN PEDERSEN
Chairman

Niels Jurgen has been Managing Director Director of Difko A/S since 2018 and comes with 17 years of experience from Nordea as a director based in Markets.

Niels Jurgen is also a director and chairman of the board in other associated companies.

CURRENT EMPLOYMENT
Director
Difko A/S

BOARD MEMBER
Different companies within the Difko group of companies.

GEORGI KIROV
Board Member

Georgi Kirov joined Colliers International in 2001 and has been the head of his department since 2006. Among other things, he has been responsible for the largest real estate transaction in Bulgaria to date, Business Park Sofia, which had a total value of DKK 280 million Euro.

CURRENT EMPLOYMENT
Director
Capital Markets, Colliers International, Bulgaria

BOARD MEMBER
The Royal Institute of Chartered Surveyors, London

HENRIK DEIGAARD
Board Member

Henrik Deigaard was with Nordea as a Senior Private Banker until 2018, where he managed large fortunes for private and business customers.

Since 2018, Henrik has been a project manager within forests and real estate at DIFKO A/S.

CURRENT EMPLOYMENT
Project director
Forest and Real Estate Investments, Difko A/S

HELLE BJERRE
Board Member

Helle Bjerre will be elected board member on the General Assembly held at the 30th of May 2023.
Helle Bjerre has 30+ years international experience in international companies in different sectors as CEO / SVP / VP / Director. She has previously been Vice President at IFU for Latin America.

CURRENT EMPLOYMENT
CEO
Ro-ro AG

MANAGEMENT

JENS KINDBERG
Director

Jens Kindberg is a property developer with expertise in the development of properties in growth areas. After graduating from Copenhagen Business School, Jens has worked in the financial sector at Scandium Asset Management, MAN GLG, and Nykredit.

Since 2011, Jens has invested in real estate in Denmark, and since 2015 he has been focused on the real estate market in Sofia.

Jens has a cand. merc. in finance and accounting from Copenhagen Business School.

Our Vision

We are devoted to being open and honest about our initiatives, accomplishments, and aspirations with all stakeholders.

As a real estate owner and manager, SEE Residential A/S recognize the responsibility to contribute in a positive and meaningful way to the planet, the society and the communities, and to reinvest in the neighborhoods in which SEE Residential operate.

SEE Residential will strive to be good neighbors, and to enrich all of the communities in which we live, work and build. We feel a responsibility to be sensitive, open and communicative to the people around us. We believe in giving back to our communities, reinvesting in the neighborhoods in which we operate, and supporting those in need.

Our definition of success extends far beyond our bottom line of the financial statement. We truly believe that shareholders will adjust their valuation based on whether a company generates short-term profits at the cost of more vulnerable stakeholders as opposed to long-term sustainable profits based on a business model respecting all relevant stakeholders.

Investors are well aware that a business model must balance the interests of all stakeholders in order to be long-term viable and thereby achieve the highest valuation. This does not disregard profitability as an organization just focusing on being good at a loss is not long-term sustainable and it will go bankrupt. On the other hand, exploiting some stakeholders for higher profit is also not long-term sustainable as it will be stopped. Either by workers, customers or the surrounding community.

The job is merely to strive to find the right balance between stakeholders and focus on how we as a company can give something back to everyone.

This is not about being perfect but about committing to continuously improve for each project and for each year. If everybody agrees to do this, the world will continue to improve and continue to be a better place for everyone.

Focus of SEE Residential A/S

As a real estate company, our job is to provide good homes and to leave the world better than we found it.
To do this, we incorporate an environmental, social and governance (ESG) perspective across all stakeholder groups (employees, suppliers/business partners, customers, society and investors) in both our investment strategy and guiding principles.

For us, this is more than just reporting. It is an aspect of ensuring a long-lasting, viable business and create a resilient and sustainable world.

ESG Integration in the Ownership and the Investment Process

In order to realise our aim of generating significant returns for our investors, we consider ESG in both our ownership and investing decisions.

According to our experience, we believe that including ESG variables not only improves our ability to assess risk, but also makes it easier for us to spot chances for change and value creation. We think that it helps the business to grow, add value, increase returns, and improve the lives of individuals and communities.

The ESG criteria that are incorporated into our investment review and monitoring processes include, but are not limited to:

Environmental	Social	Governance
Minimize emissions of greenhouse gases	Health and wellbeing of occupants, contractors, and the local community	Board practices
Increasing our use of renewable resources	Labour standards and working conditions	Legal and regulatory fines
Pollution prevention	Human rights	Transparency (including financial and operational reporting)
Improvements in environmental sustainability at the local and urban levels	Diversity and inclusion	Data protection and privacy
Climate Risk	Community development	Procurement standards and requirements
Energy Efficiency	Stakeholders relations	

We work to achieve a well-coordinated strategy, tying our efforts together through a committed team that seeks to implement best practices and support business-wide initiatives.
We try to set a good example and use our knowledge to influence change across our portfolio, compromising by:

1. Working towards best-in-class sustainability standards in all aspects of our real estate operations, with board level responsibility for monitoring and disclosing our sustainability performance.

2. Ensuring that our decisions contribute to improvements in environmental sustainability at the local and urban levels, working cooperatively with tenants, city governments, planners and other stakeholders in achieving our targets.

3. Commitment to continuous improvement in the environmental performance of our real estate operations and our asset management policies.

4. Tracking the environmental performance of our real estate assets and operations on a continuous basis, to assess our ecological footprint, and our exposure to risk from natural shocks, environmental regulation and the economic impacts of climate change.

5. Identifying explicit targets for improving our environmental sustainability performance including specifically in our commitment to minimize emissions of greenhouse gases and to increasing our use of renewable resources.

Reporting

We are devoted to being open and honest about out initiatives, accomplishments, and aspirations with all stakeholders. Every year, beginning from 2024, we will update the information in our ESG report.

Corporate structure and details

SEE Residential A/S ("the Company") is a Danish limited liability company incorporated on 13. October 2022 under the laws of the Kingdom of Denmark with company registration number 43577174. Each of the subsidiaries below SEE Residential A/S is 100% owned if not otherwise stated. The share capital of SEE ApS is divided in two share classes. A shares and B shares. SEE Residential A/S owns all A shares and management owns all B shares. The A shares represent 90% of the votes and the B shares represent 10% ohe A shares is required to fund the subsidiaries giving a preferred interest payment of 7.5% p.a. Any profit above the interest payments to SEE Residential A/S is divided with 50% to the A shares and 50% to the B shares.

The Company's LEI number is 8945007072KRV4HBP018.

The Company's address is:
Hammerensgade 1, 2 sal, 1267 Copenhagen K, Denmark.

Website: **www.SEEResidential.com**

SEE Residential A/S
CvR: 43577174
CEO Jens Kindberg

Supervisory board:
Niels Jørgen Pedersen (Chairman),
Henrik Deigaard, Georgi Kirov, Helle Bjerre
Accountant: Crowe

SEE ApS
CvR: 43623001
CEO Jens Kindberg
Accountant: Crowe

SEE BG ApS
CvR: 43428748
CEO Jens Kindberg
Accountant: Crowe

SEE Residential EOOD
UIC: 205005793
CEO Jens Kindberg
Accountant: Ecovis

The Company that owns and manages the properties in Sofia, Bulgaria

SEE Residential A/S:

- Numbers of shares: 1,090,000 shares
- Planned Issue share issue: upwards to 4,750,000 shares but giving proceed of no more than DKK 47.500.00
- Nominal value pr share: 10 kr.
- Registered capital: 10.900.000,00 kr.
- Number of share classes: 1
- Votes pr share: 1
- Limitations on voting rights: No

Share price (BVPS) as per 31/12-2022 DKK 10,37

Financial highlights

Seen over a 1-year period, the development of the Company may be described by means of the following financial highlights: - All figures in DKK '000'

	GROUP
Key figures	2022
Profit/loss	
Gross profit/loss	-256
Profit/loss for the year	398
Balance sheet	
Balance sheet total	34.995
Equity	11.754
Financial ratios	
Return on assets	5,5%
Solvency ratio	33,6%
Return on equity	6,8%
Current ratio	63,0%

The financial ratios are calculated in accordance with the Danish Finance Society's recommendations and guidelines. For definitions, see the summary of significant accounting policies.

Accounting policies

The annual report of SEE Residential A/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

The annual report for 2022 is presented in t.dkk

As 2022 is the company's first reporting period, no comparatives have been presented.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the group's and the parent company's 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 from the group's and the parent company's and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Recognition and measurement of business combinations

Recently acquired entities are recognised in the financial statements from the date of acquisition. Sold entities are recognised in the financial statements until the date of disposal. Comparative figures are not restated in respect of recently acquired entities. Discontinued operations are presented separately, see below.

The date of acquisition is the time when the company actually gains control over the acquiree.

The acquisition method is applied to the acquisition of new entities where the company gains control over the acquiree. The acquirees' identifiable assets, liabilities and contingent liabilities are measured at fair value at the date of acquisition. Identifiable intangible assets are recognised if they are separable or emanate from a contractual right. Deferred tax on the revaluations made is recognised.

Positive differences (goodwill) between, on the one side, the purchase consideration, the value of non-controlling interests in the acquiree and the fair value of any previously acquired investments and, on the other side, the fair value of the acquired identifiable assets, liabilities and contingent liabilities are recognised as goodwill under 'Intangible assets'. Goodwill is amortised on a straight-line basis in the income statement based on an individual assessment of its useful life.

Negative differences (negative goodwill) are recognised in the income statement at the date of acquisition.

On acquisition, goodwill is ascribed to / classed with the cash-generating unit, which subsequently forms a basis for impairment testing. Goodwill and fair value adjustments in connection with the acquisition of a foreign entity with another functional currency than the group's presentation currency are accounted for as assets and liabilities belonging to the foreign entity and are translated on initial recognition into the foreign entity's functional currency using the exchange rate at the date of the transaction.

The purchase consideration for an entity consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed and equity instruments issued. If part of the purchase consideration is conditional upon future events or the fulfilment of agreed conditions, this part of the purchase consideration is recognised at fair value at the date of acquisition. Subsequent adjustments of conditional purchase consideration are recognised in the income statement.

Expenses defrayed in connection with acquisitions are recognised in the income statement in the year in which they are defrayed.

If, at the date of acquisition, the identification or measurement of acquired assets, liabilities and/or contingent liabilities or the size of the purchase consideration are associated with uncertainty, initial recognition will be based on preliminarily calculated amounts. If it subsequently turns out that the identification or measurement of the purchase consideration, acquired assets, liabilities and/or contingent liabilities was not correct on initial recognition, the calculation will be adjusted with retrospective effect, including goodwill, until 12 months after the acquisition, and comparative figures will be restated. Subsequently, any adjustments made will be recognised as error.

Consolidated financial statements

The consolidated financial statements comprise the parent company SEE Residential A/S and subsidiaries in which the parent company, directly or indirectly, holds more than 50% of the voting rights or otherwise has a controlling interest. Entities in which the Group holds between 20% and 50% of the voting rights and over which it exercises significant influence, but which it does not control, are considered participating interests or associates, cf. the group chart.

The consolidated financial statements are prepared as a consolidation of the parent company's and subsidiaries' financial statements by aggregating uniform accounting items. On consolidation, intra-group income and expenses, holdings of shares, intra-group balances and dividends as well as realised and unrealised gains and losses on intra-group transactions are eliminated.

Investments in subsidiaries are set off against the proportionate share of the subsidiaries' fair value of net assets and liabilities at the acquisition date.

Entities acquired or formed during the year are recognised in the consolidated financial statements from the date at which control is obtained. Entities sold during the year are recognised in the consolidated income statement until the date of disposal. Comparative figures are not restated for acquisitions or disposals.

Acquirees are recognised in the consolidated financial statements using the purchase method, according to which the identifiable assets and liabilities of the acquirees are revalued at their fair values at the date of acquisition. The fair value is determined on the basis of transactions in an active market, alternatively on the basis of generally accepted valuation methods. The fair value of investment property is based on a discounted cash flow model, according to which future earnings are discounted. Operating equipment is recognised at fair value on the basis of assessments made by appraisers, which are based on an overall assessment of machinery.

Minority interests

In the consolidated financial statements, the items of subsidiaries are recognised in full. The minority interests' proportionate share of subsidiaries' profit/loss and equity is presented separately under appropriation of profit and in a main item under equity.

Accounting policies

(continued)

Income statement

Gross profit
In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Revenue
Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Other external expenses
Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Financial income and expenses
Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to foreign currency transactions, surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Income from investments in subsidiaries.
Dividend from investments is recognised in the reporting year in which the dividend is declared.

Tax on profit/loss for the year
The company is subject to the Danish rules on compulsory joint taxation.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Tangible assets
Investment properties
Investment properties comprises investments in land and buildings for purposes of gaining a return on the invested capital in the form of regular operating income and/or capital gains on resale.

On acquisition, investment properties is measured at cost, comprising the purchase price, including purchase costs.

The cost of self-erected investment properties comprises the purchase price and any costs directly attributable to the acquisition, including purchase costs and indirect expenses relating to labour, materials, components and sub-suppliers, until such time as the asset is available for use.

On subsequent recognition, investment properties are measured at fair market value.

In management's opinion, the classification of the property as investment properties has not given rise to any difficulty.

The fair value reflects the price for which the property should exchange on the balance sheet date between well-informed and willing parties in an arm's length transaction. The determination of fair value involves significant accounting estimates.

In management's assessment, fair values for the current year could be determined based on comparable market transactions. Accordingly, values have been determined based on the sales value, corresponding to the expected selling price of investment properties.

The fair value of investment properties of investment property at 31 December 2022 as assessed by independent real estate appraisers.

The estimates used are based on information and assumptions which management considers reasonable, but which are, inherently, uncertain and unpredictable. Actual events and circumstances are likely to be different from those assumed in the calculations, since anticipated events frequently do not occur as expected. These variations may be material.

Fixed asset investments
Investments in subsidiaries

Investments in subsidiaries are measured at the proportionate share of the net asset value of the entities, calculated on the basis of the group's accounting policies, plus or less unrealised intra-group gains or losses and plus or less any remaining value of positive or negative goodwill stated according to the purchase method. Negative goodwill is recognised in the income statement on acquisition. Where the negative goodwill relates to contingent liabilities having been taken over, the negative goodwill is not recognised until the contingent liabilities have been settled or no longer exist.

Investments in subsidiaries are measured in the parent company financial statements using the equity method.

Net revaluations of investments in subsidiaries are taken to the net revaluation reserve according to the equity method in so far as that the carrying amount exceeds the cost. Dividends from subsidiaries which are expected to be declared before the annual report of SEE Residential A/S is adopted are not taken to the net revaluation reserve.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Equity
Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method in the company's financial statements comprises net revaluation of investments in subsidiaries relative to the cost.

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Income tax and deferred tax

The company and all its Danish group entities are taxed on a joint basis. The current income tax charge is allocated between the jointly taxed entities relative to their taxable income. Tax losses are allocated based on the full absorption method. The jointly taxed entities are eligible for the Danish Tax Prepayment Scheme.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Accounting policies

(continued)

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Financial Highlights

Definitions of financial ratios.

Return on assets	$\frac{\text{Profit/loss before financials x 100}}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total assets}}$
Return on equity	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$
Current ratio	$\frac{\text{Current assets total x 100}}{\text{Short-term liabilities}}$

Income statement

13 October 2022 – 31 December 2022

	Note	GROUP 2022 TDKK	PARENT COMPANY 2022 TDKK
Gross profit		**-256**	**-62**
Fair value adjustments of investment properties		1.217	0
Profit/loss before net financials		**961**	**-62**
Financial costs	2	-17	0
Profit/loss before tax		**944**	**-62**
Tax on profit/loss for the year	3	-90	0
Profit/loss before minority interests		**854**	**-62**
Minority interests' share of net profit/loss of subsidiaries		-456	0
Profit/loss for the year		**398**	**-62**
Distribution of profit	4		

Balance sheet

at 31 December 2022

	Note	GROUP 2022 TDKK	PARENT COMPANY 2022 TDKK
Assets			
Investment properties	5	26.982	0
Tangible assets		**26.982**	**0**
Investments in subsidiaries	6	0	492
Fixed asset investments		**0**	**492**
Total non-current assets		**26.982**	**492**
Receivables from subsidiaries		0	2.878
Other receivables		138	98
Claim for payment of company capital		7.875	7.875
Receivables		**8.013**	**10.851**
Total current assets		**8.013**	**10.851**
Total assets		**34.995**	**11.343**

Balance sheet

at 31 December 2022

	Note	GROUP 2022 TDKK	PARENT COMPANY 2022 TDKK
Equity and liabilities			
Share capital		3.025	3.025
Reserve for unpaid share capital		7.875	7.875
Revaluation reserve		0	456
Retained earnings		394	-62
Non-controlling interests		460	0
Equity		**11.754**	**11.294**
Provision for deferred tax		1.592	0
Total provisions		**1.592**	**0**
Other payables		8.934	0
Total non-current liabilities	7	**8.934**	**0**
Trade payables		15	0
Other payables		12.700	49
Total current liabilities		**12.715**	**49**
Total liabilities		**21.649**	**49**
Total equity and liabilities		**34.995**	**11.343**
Contingent liabilities	8		
Mortgages and collateral	9		

Statement of changes in equity

GROUP

	Share capital	Reserve for unpaid share capital	Retained earnings	Non-controlling interests	Total
Equity at 13 October 2022	0	0	0	0	0
Cash capital increase	2.625	7.875	0	0	10.500
Transfers, reserves	0	0	-4	4	0
Net profit/loss for the year	0	0	398	456	854
Cash payments concerning formation of entity	400	0	0	0	400
Equity at 31 December 2022	**3.025**	**7.875**	**394**	**460**	**11.754**

PARENT COMPANY

	Share capital	Reserve for unpaid share capital	Retained earnings	Non-controlling interests	Total
Equity at 13 October 2022	0	0	0	0	0
Cash capital increase	2.625	7.875	0	0	10.500
Transfers, reserves	0	0	456	0	456
Net profit/loss for the year	0	0	0	-62	-62
Cash payments concerning formation of entity	400	0	0	0	400
Equity at 31 December 2022	**3.025**	**7.875**	**456**	**-62**	**11.294**

Notes

		GROUP	PARENT COMPANY
		2022	2022
		TDKK	TDKK
1	**Staff costs**		
	Average number of employees	3	1
2	**Financial costs**		
	Other financial costs	17	0
		17	**0**
3	**Tax on profit/loss for the year**		
	Current tax for the year	90	0
		90	**0**
4	**Distribution of profit**		
	Retained earnings	398	-62
		398	**-62**

Notes

(continued)

GROUP		Investment properties 2022
5	**Assets measured at fair value**	TDKK
	Cost at 13 October 2022	7.034
	Cost at 31 December 2022	7.034
	Revaluations at 13 October 2022	18.731
	Revaluations for the year	1.217
	Revaluations at 31 December 2022	19.948
	Carrying amount at 31 December 2022	**26.982**

The fair value of our real estate portfolio is measured based on external valuations of the individual property. The external valuation of the real estate is carried out by an authorized valuation specialist in the market in which the real estate is located and it is based on international valuation standards using the comparative method, where the valuation is the result of a direct comparison of the valued asset with an analysis of recent sales and/or offers of similar assets to arrive at an indication of their most likely value.

PARENT COMPANY

		Investment properties 2022
6	**Investments in subsidiaries**	TDKK
	Cost at 13 October 2022	0
	Additions for the year	40
	Disposals for the year	-4
	Cost at 31 December 2022	36
	Revaluations at 13 October 2022	0
	Net profit/loss for the year	456
	Revaluations for the year, net	0
	Revaluations at 31 December 2022	456
	Carrying amount at 31 December 2022	**492**

The fair value of investment in subsidiaries is measured on the basis of external valuations of the underlying real estate adjusted for other assets and liabilities of the subsidiaries. The external valuation of the property is carried out by a licensed valuation specialist in the market in which the property is located and it is based on international valuation standards using the comparative method, where the valuation is the result of a direct comparison of the appraised asset with an analysis of recent sales or offers of similar assets to arrive at an indication of their most likely value.

7 Long term debt

GROUP	Debt at 13 October 2022	Debt at 31 December 2022	Instalment next year	Debt outstanding after 5 years
Other payables	0	8.934	0	8.934
	0	**8.934**	**0**	**8.934**

8 Contingent liabilities

The company is jointly taxed with its parent company, Kindco ApS (management company), and jointly and severally liable with other jointly taxed entities for payment of income taxes for income year 2022 onwards as well as for payment of withholding taxes on dividends, interest and royalties.

9 Mortgages and collateral

The company has no pledges or collateral.