THYLANDER

Annual Report
2022

Thylander Gruppen A/S | Bredgade 40 | DK-1260 Copenhagen | CVR No 34 80 07 82

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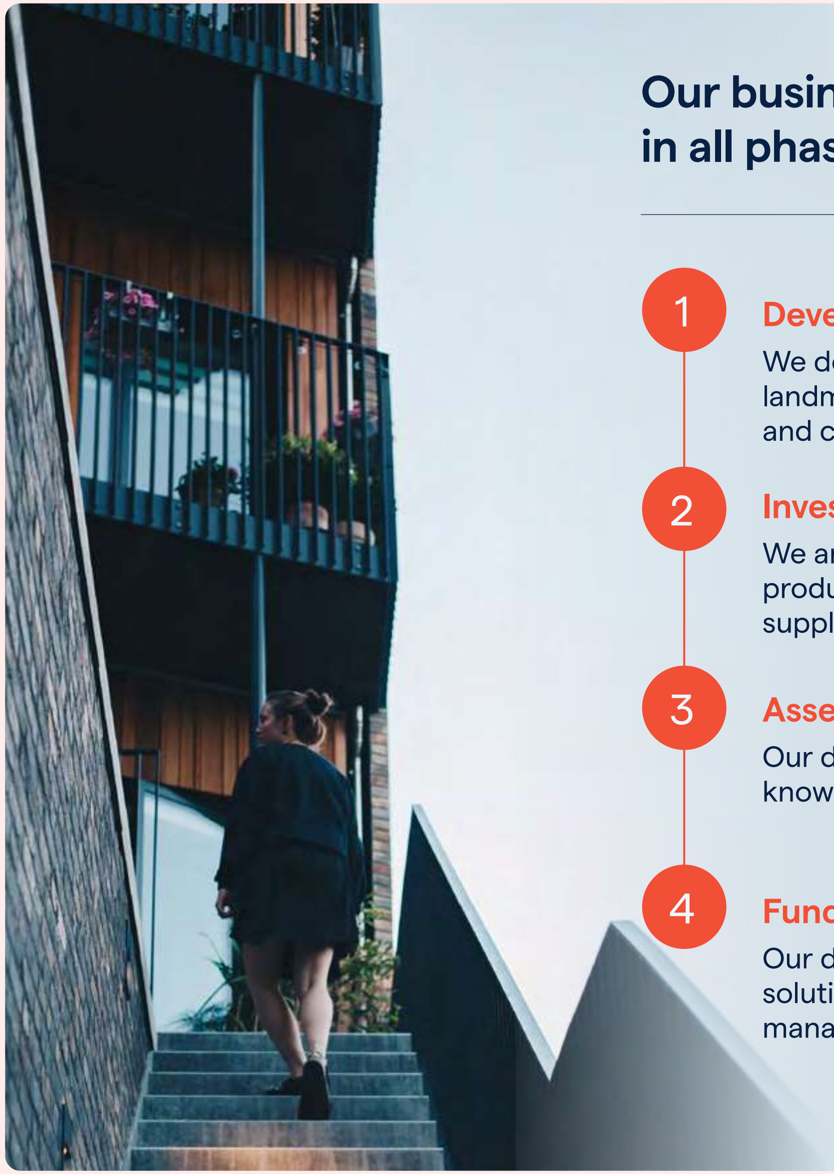
Thylander at a glance

Founded by Lars Thylander in 1986, we are a leading private equity real estate firm with a unique approach to value creation through our vertical setup across the full value chain.

Since our inception in 1986, our core competence has been to establish and manage real estate funds in partnership with institutional investors, funds and high net worth individuals. At the core of our business model is our vertically integrated setup across the real estate value chain, as it allows us to capture full value in all phases of the investment life cycle. Our more than 50 dedicated professionals provide our capital partners with best-in-class returns through operating services spanning from project development, investment activities, asset management and fund management.

With a vertical setup Thylander works with sustainability in all phases of the investment life cycle. This enables early data gathering, which is to be used for sustainability initiatives and ESG reporting.



Our business model offers full value capture in all phases of the investment life cycle

1. **Development management**
   We develop greenfield projects and re-develop complex landmark projects that deliver lasting value to investors and communities
2. **Investment management**
   We are high-conviction, thematic investors developing products and platforms driven by favorable trends and supply-demand dynamics
3. **Asset management**
   Our deep operating expertise with proprietary local market knowledge allow us to optimize every aspect of real estate
4. **Fund management**
   Our data-driven setup enables full-service and flexible solution with transparent investor reports and diligent risk management of portfolios

Performance highlights

Key Facts

50+
Dedicated professionals working with real estate across the value chain

20.2%
Return on equity after tax

12+
Billion DKK AUM invested **across 11 funds and development projects**

11
Active funds managed

500k m^2
in the investment portfolio **across 150 properties**

100k m^2+
Under project development across 6 projects in Sophienberg Gruppen

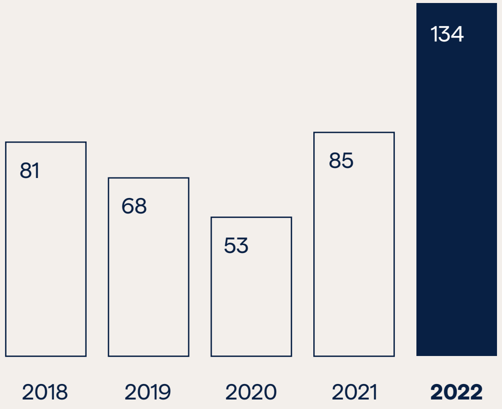
Financial performance

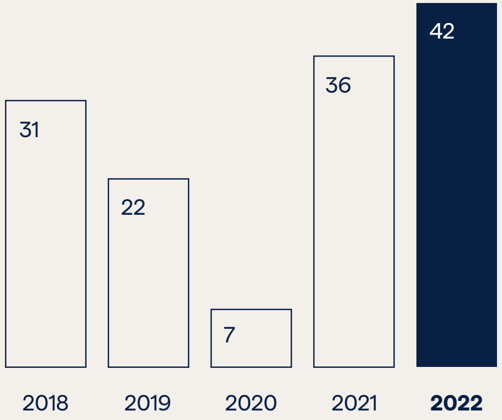
Revenue 2022 (mDKK)

134m
Thylander Gruppen A/S

EBIT 2022 (mDKK)

42m
Thylander Gruppen A/S





Letter from management

Strong performance in 2022 despite challenging market conditions

2022 started bright but, due to macroeconomic and geopolitical developments abundantly described elsewhere, turned into a challenging year for players across the real estate business. Both transactional and development activity experienced a significant slowdown in the second half of 2022, while the fundraising environment became increasingly difficult to navigate.

Successful execution in 2022

Despite unforeseen challenges, our talented employees managed to deliver a strong result for the group, with revenue of DKK 134 million and EBIT of DKK 42 million.

We managed to successfully create value across the board; one highlight was the closing of the BoStad transaction in the beginning of year, as it marked our new and close collaboration with AP Pension. We have successfully integrated 71 properties and approximately 160,000 sqm into our platform and applied our key asset and fund management capabilities, including our ESG framework.

Another highlight was the closing of the sale of the Blue Star portfolio. In 2014, we assisted PFA in the acquisition of two properties in Amager Strand, Copenhagen, and since then we have, together with our long-trusted partner, headed the transformation of the portfolio from a single-user property to a multi-user property, enabling a sales value of more than 1 DKK billion in a challenging 2022. The transaction is a strong verification of the value of our asset management model and close collaboration with our investors.

A third highlight was our newest fund – Thylander Property Fund – which acquired four additional properties during 2022, reflecting the strategic focus of the fund; properties in greater Copenhagen with significant value-add potential.

Lastly, our project development arm – Sophienberg Gruppen – has successfully completed and delivered two residential new-build projects in Greater Copenhagen. The projects were successfully completed despite of the contractor defaulting in the process. The handling of the challenges emphasizing the skills of the team and the value of the organizational structure and knowledge.

> “We managed to successfully create value across the board

New investors
Despite the uncertainty in the market, we had the pleasure of welcoming several new investors to our Thylander Property Fund, as well as enjoying the backing of existing investors also participating in the fundraising round in the spring of 2022. This positively reflects our strong position and is a testament of trust and confidence in what do and our ability to deliver value in the years to come.

Significant strategic and operational progress
The conditions for growing our business remain promising, and we experience significant demand for our competences and products. To enhance our strategic focus and improve further our platform and the service provided to our customers, we have undertaken initiatives to improve our operating model. Part of this has been divesting non-core activities (the property management Norse Property Management A/S and the funds of funds private equity business Advantage Investment Partners A/S).

In 2022, we strengthened the organization on several fronts, please see page 10 for details. Initiatives included strengthening existing teams, integrating new teams (our project development arm Sophienberg Gruppen as well as the BoStad platform). We also established a formal Investor Relations unit. These alterations were crucial in formalizing our 'Vertical Real Estate' model.

In addition, we further enhanced our ways of working (processes, structure) and continued to focus on attracting and developing the best talent in the industry.

Our purpose guides us in what we do
In 2022, we were pleased to introduce our purpose (Improving people's lives by creating real estate that stands the test of time) as well as our values (people-centricity, unity, integrity, excellence, entrepreneurship). Our purpose and values enable us to work from a common framework as we make decisions together with colleagues, investors and our broader ecosystem.

Continued focus on sustainability
In 2022, we further increased our strong focus on ESG and sustainability; an imperative for the planet and for our business alike. Among several ambitious initiatives, we have built a proprietary ESG data model to track our on-going improvements. Our continued investment in this area has led to us to launch our FIVE:FIFTY strategy (please see page 7 for details).

Outlook
Despite a challenging outlook for 2023, we are optimistic that our excellent team can take advantage of our work in recent years to position ourselves for the opportunities that we believe 2023 will bring across our business lines.

Our team is our business
We are privileged to work with a driven group of colleagues, who continuously manage to innovate for the benefit of the business, our investors and the broader community. We wish to thank our team for their efforts in 2022 – we are confident that we together in 2023 will continue to deliver excellent products and results.

Lars Thylander
CEO, Partner

Søren Vendelbo Jacobsen
Deputy CEO, Partner

Mikkel Rosendahl
COO/CFO, Partner

Sustainability and ESG

Last year, we published our first sustainability report with a clear direction for our sustainability approach. In this report, we are pleased to present how we have followed that direction and thereby implemented an ESG mindset.

Sustainability is an integrated part of Thylander's mindset and business. This has been proven by the continuous efforts we have made in contributing to the built environment over the years. We believe that a building made from quality materials and an architectural design that compliments the surroundings will stand the test time and the resources spent will thereby be used the best way. Apart from the environmental enhancements this creates, we also believe it improves the livelihood of the individuals living in and around those buildings.

New ways of working

During the last few years, the commercial and regulatory interest in sustainability has increased significantly. This means that sustainability is no longer an ideology for the few, but has expanded to data and facts, which all stakeholders in the real estate sector need to take into consideration. This transition from solely a sustainable mindset to a so-called ESG mindset, which incorporates data-driven continuous sustainability improvement, is a natural step for Thylander as an organisation.

The sustainability section in this report shows how we have progressed throughout the year. In 2022, we have established a solid data foundation and an ESG team that enables Thylander to showcase and document our initiatives and hopefully inspire others.

Roadmaps and initiatives

The initiatives consist of the implementation of our ESG investment policy launched in 2021 that includes climate risks and metrics within our investment process. In addition, this report launches our carbon emission reduction roadmap called FIVE:FIFTY. The name arises from a vision of reducing our carbon emission footprint in five years with 50%.

In 2023, we wish to expand our overall sustainability strategic focus to include biodiversity and climate change adaptation strategies. In addition to our own strategies, we continue to be present and actively involved in ongoing discussions with our industry peers and partners on how we as an industry can continue to advance the green transition.

The FIVE:FIFTY ambition is Thylander's carbon emission reduction target for 2027

Climate change is an immense challenge for humanity and the consequences are already present in many parts of the world. In Thylander, we are aware of our responsibility as a leading "actor" in the Danish real estate industry. With this launch we showcase our ambitious vision.

We have set a short-term target as we wish to act now, but this target should also be seen as a steppingstone to becoming carbon neutral in line with the European Union's intention to decarbonize the building sector.

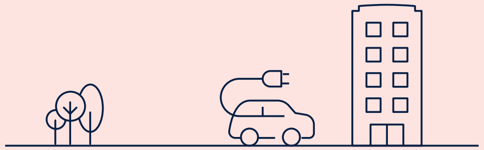
FIVE:FIFTY covers all 3 emission scopes, including our investment activities. With this vision, we wish to encourage effective partnerships across the industry.

The base year is 2022 and the method used will be consistent with the GHG protocol.

Thylander offices and company cars

Total CO_2e – Scope 1 and 2

-50%



Business travels, commuting, standing assets and new developments

CO_2e per SQM – Scope 3*

-50%

*) The utilisation of an intensity unit is due to the fact that the vast majority of our Scope 3 emissions derive from our investments and their operations.

Financial highlights

Consolidated key figures

Profit/loss	Group 2022	2021	2020	2019	2018
Income Statement					
Management fees	**120,227**	38,824	39,484	37,300	39,331
Other operating income	**13,820**	46,137	13,473	31,155	41,696
Expenses for personnel and administration	**-85,340**	-48,596	-44,368	-44,519	-44,792
Profit/loss before financial income and expenses	**42,378**	35,995	7,325	22,210	31,397
Profit/loss before tax	**34,239**	61,462	13,364	27,858	92,531
Profit/loss before minorities	**24,053**	50,991	12,229	21,825	79,184
Net profit/loss for the shareholders of Thylander Group	**22,808**	50,991	8,702	17,312	75,355
Balance Sheet					
Equity, Thylander Group	**109,975**	127,667	76,676	90,974	133,663
Equity	**109,975**	127,667	76,676	104,133	152,108
Total assets	**241,375**	178,411	106,349	130,918	232,546
Ratios					
Solvency ratio	**45.6%**	71.6%	72.1%	79.5%	65.4%
Equity ratio before tax	**28.8%**	60.2%	14.8%	21.7%	65.4%
Equity ratio after tax	**20.2%**	49.9%	13.5%	17.0%	56.0%
Number of funds under management	**11**	12	15	12	10
Assets under management (AuM), TDKK	**11,292,587**	9,443,598	9,841,142	6,779,327	5,561,363
Average number of employees	**52**	26	29	33	29

Refer to definitions of key figures in section in accounting policies.

Financial in brief

Follow up on expectation from last year

We continued to strengthen our operational platform and have despite the market development during the year pursued growth in all segments of our fully vertical integrated business model, achieving a record number in revenue and EBIT, exceeding numbers for 2021.

2022 was characterized by high activity in the first part of the year, where the overall transaction volume in the Danish market in H1 2022 exceeded the historical high numbers for same period in 2021. However, for both transaction and development activities, we experienced a significant slowdown in the second half of 2022, fully in line with the market.

Revenue

Revenue amounted in total to DKK 134 million. The increase of DKK 49 million or 58% relative to 2021 was driven by significant increase in revenue steaming from our asset management activities, including integration of BoStad, promote fee related to managed funds and transactions fees related to investments in newly established funds. Revenues steaming from our development activities in Sophienberg amounts to 20 mDKK in 2022, which cannot directly be compared to the revenues in 2021 due to treatment of Sophienberg as associated company in the consolidated figures in 2021. Adjusting for Sophienberg we still see an increase of DKK 29 million relative to 2021.

Operating expenses

Operating expenses amounts to DKK 85 million. The increase of DKK 36 million compared to 2021 is mainly driven by the increase in number of employees in the organisation, as well as overall increase in cost due to inflation and relocating to new office in Bredgade 40. In 2022, Thylander welcomed more than 26 new employees. The increase is partly driven by the integration of employees from Sophienberg Gruppen and the BoStad transaction in the beginning of the year, but also to a large extend driven by the general strengthen of the organisation. Focus has been on recruitment of high-level professionals in different parts of the value chain, including investor relations and asset management, as well as continued build-up of our competences in corporate functions, all of which to support our strategic ambitions.

EBIT

Reported EBIT amounted to DKK 42 million, an increase of DKK 6 million or 18% from DKK 36 million in 2021. The improved result is mainly driven by significant increase in operating revenue and only partly offset by higher operating cost.

Equity

Equity was DKK 110 million at the end of December 2022 against DKK 127 million at the end of 2021. The decrease of DKK 17 million was mainly driven by a distribution of DKK 40 million in dividends for the financial year 2021. This is only partly offset by the profit for the financial year 2022.

Events after the balance sheet date

No material events have occurred between 31 December 2022 and the date of publication of this annual report, which would have a material effect on the assessment of the financial position in Thylander.

Economic outlook for the year ahead

We expect the slowdown in transaction and development activities experienced in second half of 2022 to continue during the first half of 2023, hence we do not anticipate the same level of revenue steaming from our transaction and development activities in 2023. Additional funds and products are being considered; however, they are likely to launch in the late of 2023 or beginning of 2024 with only limited impact on the 2023 result. Further, we continue to have focus on building competences within the organization, however overall costs are expected to be at the same level as in 2022. Hence, the result for the coming year is expected to be lower compared to 2022 in the range of DKK 0-20 million.

It is the management's view that the Group has sufficient liquidity to finance the activities in the budget for 2023. The shareholders have agreed to only receive repayments on payable if the Company and Group has sufficient liquidity.

Our organization

In 2022, we have strengthened our organizational set-up to enable our ambitious growth targets and ability to capture value across the full value chain.

Strengthening our organizational setup

In 2022, we have significantly strengthened our organizational setup by expanding the organization from 26 employees to +50 employees. The strengthening of our organization is a cornerstone of our strategy to deliver value creation across the full real estate value chain. We completed this value chain setup this year with the addition of dedicated in-house ESG- and IR-teams.

Integration of Sophienberg Gruppen and BoStad

In Q1, Sophienberg Gruppen became a wholly-owned subsidiary of Thylander Gruppen, and the full integration of Sophienberg Gruppen is an important milestone for our ongoing work with sustainability. During the year, we also succeeded with integrating the team from the BoStad platform.

Implementation of people development model

As part of our goal to be a talent magnet and attractive workplace, we have developed and initiated implementation of a new, structured people development model. We focus on providing our employees with clear career paths and systematic feedback sessions to ensure ongoing development of competencies and high employee satisfaction.

Diversity and equal opportunities

We strive to create a diverse workplace with equal opportunities for personal development across all employee levels. No employees will experience limitation in career path in Thylander based on their gender, ethnicity, handicap, sexuality etc.

We are guided by our mission, vision and values, which serve as a framework for decision-making

Our vision

Improving people's lives by creating real estate that stands the test of time

Our mission

To be a leading force in creating a better world through real estate

Our values

People centricity

We are the "talent magnet" and the "people developer" in real estate

Unity

We cooperate with colleagues, investors and the broader community in a candid and helpful way to make each other better

Integrity

We dare to confront challenges and always stay true to our moral compass

Excellence

We focus on matters with the highest impact, deliver high quality in all we do and build our company on the best ideas

Entrepreneurship

We dare to seek, create and execute high-value opportunities

Risk management

Risks are a natural and integral part of our business activities, and we aim to mitigate our risks and reduce them to an acceptable level through risk management.

The purpose of our risk management is to identify and monitor risks and decide how best to manage and mitigate them. We assess the extent to which individual risks are acceptable, as well as the extent to which these risks can be reduced to align with the risk appetite of all stakeholders.

A new Risk Policy was adopted in 2022. This sets out key principles related to risk management to ensure that all foreseeable risks that may have an impact on Thylander and the funds under management are evaluated. In 2022, an additional resource was allocated to further develop and maintain our risk management framework.

Besides the inherent business risk, including market and financial risk, we are also exposed to operational risk in connection with cyber, regulation and compliance and climate change, ESG, and sustainability, please see our Sustainability section in this report for further details on climate change, ESG and sustainability.

Business risk

Management fees received from funds are to a large extend based on invested capital or the market value of the underlying properties. The properties in managed funds are measured at fair value, in which the estimated fair value is calculated using either a discounted cash flow or a return-based model with established return requirements. The values are inherently subject to some degree of risk. In order to limit the risk, as much as possible, the valuation is made by an independent external partner and on top, the valuation is evaluated by our own internal valuation team.

Investment

Acquisition of new properties may introduce various risk for the fund in question, and hence indirectly impacting the promote or management fee in Thylander. The risks are associated with legal, financial, tax and technical perspectives. Thylander has a strong presence in the Danish real estate market and since the founding in 1986 building on significant experience within transaction management and M&A. All investments are subject to rigorous due diligence (DD) from a legal, financial, tax, and technical perspective. DD processes are also continuously evolving to ensure that all relevant functional lines are informed, coordinated, and involved in the process.

Macroeconomic risk

Thylander is exposed to general macroeconomic conditions, hence a slowdown of the economy could adversely affect the demand for our services. External factors that could affect our ability to generate revenue include GDB growth, rate of employment, inflation, interest rate changes, see below, and geopolitical uncertainty in Europe. In general, we operate in stable low risk Danish economy, but as a further mitigation, we continuously monitor market developments for early warning signs ensuring the visibility to, in due time, adjust the business model accordingly.

Interest rate risk

Thylander Gruppen A/S and affiliated companies have little direct exposure to interest rate risk. However, Thylander is indirectly exposed to interest rate risk through the performance of the managed funds. Rising interest rates may increase financing costs and negatively impact profitability. To mitigate interest rate risk exposure, all funds have a dedicated interest rate policy restricting loan-to-value ratios as well as requirements on how much of the loan portfolio shall have fixed interest rates.

As a further mitigation, sensitivity analysis on different risk factors, including yield and interest rates, are conducted in connection with property investments.

Operational risk

Our people

People processes including retaining and recruiting the best talent in the market are increasingly important in order to reach our financial and strategy targets. As such, loss of key positions pose a risk to our operation and profitability. Thylander has a key focus on maintaining an attractive workplace and we have a structured approach to developing and maintaining employees, including preparing individual development plans. Also in 2022, employee surveys were conducted in order to open a line of communication for all employees to provide feedback and help grow the company and also provide a tool for monitoring employee satisfaction on a regular basis.

Regulatory risk

As a professional investor in the Danish real estate market and as manager of real estate funds, we have exposure to regulatory changes or interventions, as a result of the political agenda and the natural evolution in rules and laws governing the real estate markets. These changes can be related to a wide range of legislation, including housing laws, tax, and VAT, and may have both a positive and negative long-term impact on property values, operations, or financial performance. To mitigate the changing regulatory environment, we maintain active dialogue with policy makers, advisors and other stakeholder in order to closely follow the regulatory environment. Further, before establishing a new fund or launching new products we evaluate a wide range of risk, including regulatory and political risk, in close cooperation with our advisors.

IT Systems and Cyber threats

In 2022, we have taken additional step in the digitalisation of our business in order to enhance control and drive efficiency. Further, a new IT risk policy is being adapted in the beginning of 2023 outlining the principles for IT security. Lack of IT security or cyber attacks may lead to data breaches or incidents that could negative impact the operation in Thylander, both in terms of financial performance and but also from a reputational perspective in case of data breach. Operation and monitoring of our systems and the inherent risks associated with these are outsourced to a professional IT provider. Thylander has in close cooperation with our external partner implemented several protections, such as multi-factor authentication, daily back-up procedures, firewalls, anti-virus and Microsoft best practice with respect to log-on. Tests of phising mails are conducted regularly as part of ensuring continuous awareness in the organisation on cyber threats.

Sustainability

The year of ESG integration

Thylander has for years been developing and managing properties with respect for the cultural heritage and the use of quality materials. The use of quality materials ensures long building longevity and it improves the livelihood of the individuals living in and around those buildings. This is the core of sustainability for Thylander.

In the recent years an increased focus on data has provided the real estate sector with tools to measure sustainability factors. The carbon emission footprint of building materials and construction processes can now be measured with a high degree of reliability. We have incorporated this in our decision making process both when engaging in new investments, but also in maintenance of the existing investments. Please see page 20 for details on our engagement with Stykka Kitchens. Climate change is not the only challenge we strive to contest but due to the nature of our business it is a natural starting point for our efforts.

With the establishment of our ESG team in 2022, we have strengthened our efforts within sustainability data analysis and ESG reporting. Our new ways of working is not solely limited to the ESG team, but had an impact throughout the organisation. Internal education sessions on sustainability and ESG are an integrated way of our business and we expect that these factors will have increasing influence in our business and the whole sector within the years to come.

The end of 2022 also marked the beginning of new product level disclosures within the EU Sustainable Finance Disclosure Regulation (SFDR). Guaranteeing that we are compliant with the regulation in general is non-negotiable due to our status as a financial market participant and financial advisor. We have decided to classify our existing fund Thylander Property Fund and our upcoming fund Build-for-Life as article 8 products (please see our 2021 Sustainability Report for more information on Build-for Life). This decision is based upon our beliefs that these financial products do indeed promote the environmental characteristics related to climate change mitigation and climate change adaptation.

Ongoing commitments

In continuance of our sustainability report in 2021, we have furthered our adoption and implementation of the key elements and principles outlined by the three commitments we have chosen to adhere to.

These three commitments are:

- UN Principles of Responsible Investments (PRI)
- UN Global Compact (UNGC)
- Task Force on Climate-Related Financial Disclosures (TCFD)

On page 25 to 29 of this report, we disclose on the non-financial information, where we explain and describe how we have implemented and adopted the different principles into our strategy and day-to-day operations. As well as, how they have been incorporated into our actions and policies.

Sustainability highlights of the year

In 2022, Thylander expanded our sustainability awareness and focus by developing and implementing new initiatives that aimed to incorporate ESG factors into various departments and corporate processes. Our goal was to have a data-driven approach to sustainability. Therefore, it was critical that we established a strong data foundation and how ESG factors impact our investment policy and company-wide strategy.

The three highlights in 2022 were:

- Our FIVE:FIFTY carbon emission ambition
- ESG Data foundation
- Integration of our ESG investment policy

The next section provides deep dives into these three main areas and explains in detail what initiatives we have implemented and their importance.

922.9 TCO_2e

Total emissions from Scope 1, 2 and 3 in 2022

The FIVE:FIFTY carbon emission ambition

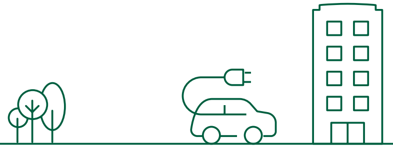
Thylander aims to reduce the carbon emissions from both our own operation and investment activities by 50 % over a five year period.

2027
(2022 base year)

Thylander offices and company cars

Total CO_2e – Scope 1 and 2

-50%



Business travels, commuting, standing assets and new developments

CO_2e per SQM* – Scope 3

-50%

Investment activities deep dive

Operational carbon emissions

Standing assets

kg CO_2e per SQM

9 → 4.5

(2022) (2027)

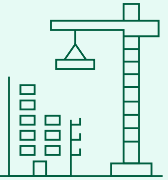
Embodied and operational carbon emissions on a 50-year period

New developments

kg CO_2e per SQM

11 → 5.5

(2022) (2027)



*) The utilisation of an intensity unit is due to the fact that the vast majority of our Scope 3 emissions derive from our investments and their operations.

Our carbon emissions

In Thylander we acknowledge our responsibility as a real estate firm and our efforts to mitigate climate changes starts by measuring and reporting our carbon footprint in a transparent manner.

2022 is the first year we disclose our carbon emission and 2022 will act as base year in our carbon emission ambition. As shown in the figure the total emissions from Thylander amounts to 922.9 tonnes of carbon emissions equivalents. 92.1% of the emissions derives from the scope 3 emissions which primarily relates to our investment activities.

Data as enabler

At Thylander, we take an organised and systematic approach towards data selection and collection, and we strive to use actual measured data in all our calculations. By utilizing data, we strive to make decisions that both creates economic value and at the same time reduce our carbon emission footprint the best way possible. Hence, we can avoid carbon emission pitfalls such as replacing windows where the embodied carbon of the replacement overshoots the carbon emissions saved from the operation.

Green house gas (GHG) accounting

We have adopted the GHG accounting principles, and we use the operational control approach to define the GHG reporting boundaries. For our investment portfolio, these boundaries are reasonably clear and linked to how we have structured our business model. Thylander both manage properties as alternative investment fund manager (AIFM) and as asset manager on behalf of other accounts, such as pension funds. Hence, the latter is outside our GHG reporting boundaries and therefore not included in our total emissions of 922.9 Tonnes CO_2 equivalents. That said, we still disclose the full portfolio carbon emission intensities ($kgCO_2e$/sqm) on page 17 in this report, as we always strive to be as transparent as possible.

It has been our ambition to include the most material carbon emission sources in our business operations and we are aware of the lack of datapoints in this reporting, such as emissions from office equipment at the Thylander offices and embodied carbon emissions from renovations. However, we utilize a continuous learner approach, especially in regard to our data. As we gather more information around sustainability and as the field advances, we will adjust our data collection and improve our data foundation and insights accordingly.

Carbon emissions from travel in our organisation consist of company cars, business travel (car, plane, train and ferry) and staff commuting. Data is gathered through a survey sent out to the organisation with questions on distance travelled and the specific vehicle used, where we had a 90% response rate.

In our reporting, we focus more on our investments and their operational carbon emissions, as they account for the vast majority of our emissions. For the investment portfolio, we aim to collect as much actual utility consumption data as possible on the standing assets. In most cases the heating and water consumption is available for the whole building while the electricity consumption is available for the common areas. Electricity consumption for all residential tenants is estimated and we have initiated dialogues regarding electricity consumption with the larger tenants such as retail, hospitality, hotels etc. Fortunately, a large part of our tenants have shared their consumption data with us, which thereby increase the data quality. We utilize carbon emission factors from the local district heating companies and the regional electricity grids.

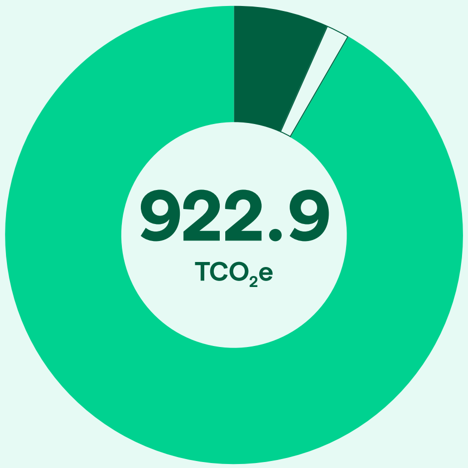
Recalculation of figures

According to the GHG accounting principles, a yearly recalculation of the base year emissions should be done to enhance comparability. Data points which we were not able to gather in this reporting will be included for 2022 in next years reporting. In addition, carbon emissions from new investments will be included from 2022 and onwards, while the emissions from divestments will be removed from the base year calculation. In this way the carbon emission intensities from the investment portfolio do not decrease solely by selling older properties and purchasing properties with lower energy consumption.

As the release date of this report is prior to the release of the 2022 carbon emission conversion factors for both district heating and electricity, all figures will be revised and recalculated for next years report.

Total emissions in 2022

TCO_2e



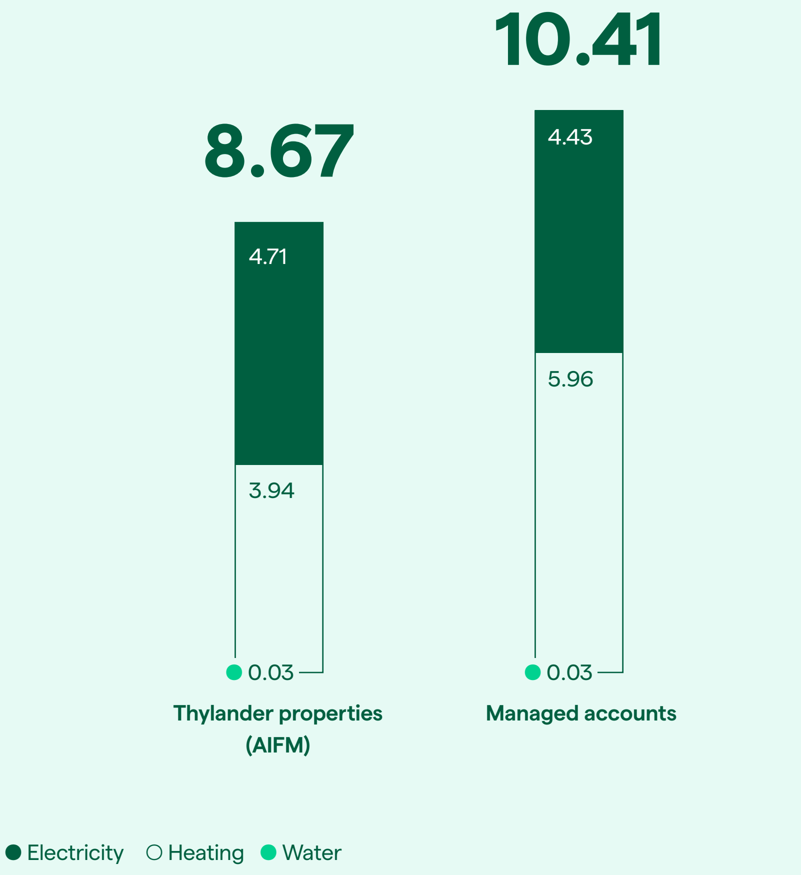
Scope 1	Scope 2	Scope 3
58.4	14.8	849.7
6.3%	1.6%	92.1%

Emissions categories in 2022

Emission category	Data	Sources for emission factors	Emissions subcategory (TCO_2e)	Total emissions (TCO_2e)
SCOPE 1 EMISSIONS				
Company cars	404,185 km	Car dependent		58.4
Subtotal				**58.4**
SCOPE 2 EMISSIONS				
Electricity consumption	56.9 MWh	Danish electricity grid		7.5
Heating consumption	208 MWh	District heating		7.2
Water consumption	248 m^3	Supplier figures		0.1
Subtotal				**14.8**
Total Scope 1 and 2 Emissions				**73.2**
SCOPE 3 EMISSIONS				
Business Travel				18.1
Car	86,936 km	Car dependent	7.4	
Train	4,742 km	Public transport data	0.3	
Ferry	1,025 km	Ferry dependent	0.1	
Plane	70,995 km	www.co2everything.com	10.4	
Employee Commuting				7.9
Car	67,377 km	Car dependent	7.6	
Train	18,310 km	Public transport data	0.3	
Investments - Thylander properties (AIFM)				823.7
Electricity consumption	3,460 MWh	Danish electricity grid	456.8	
Heating consumption	7,711 MWh	District heating, natural gas and oil	364.5	
Water consumption	12,692 m^3	Supplier figures	2.5	
Subtotal				**849.7**
Grand Total				**922.9**

Operational carbon emissions from standing investment portfolio in 2022

$kgCO_2e$/sqm



Sustainability in Thylander's operations

Sustainability practices are another key focus area within Thylander. The impacts and initiatives implemented relate primarily to Thylander's staff, operations and management of our offices.

Sustainability data in Thylander

In total, there were 50+ individuals at Thylander by the end of 2022. We had an increase in the share of females in both the workforce, now 25% females, and in our Board of Directors, now 33%. At the management level, we currently have a 22% share of females. At the end of 2022, we switched to a new salary system, therefore data on absent days will be available next year. The number of whistleblower cases in 2022 was zero.

Employee Education Initiative

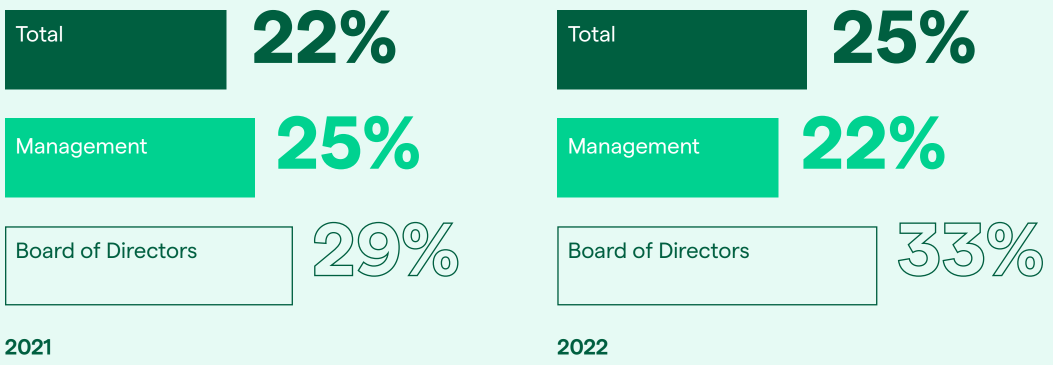
In the past year, we have focused on broadening and expanding our internal knowledge sharing. Therefore, through internal education sessions, employees from different departments can share their knowledge learnt from projects and past experience to others to improve overall understanding across the organisation. Additionally, employees are often given numerous opportunities to develop their knowledge through external seminars, courses, forums and conferences.

Contribution and charity

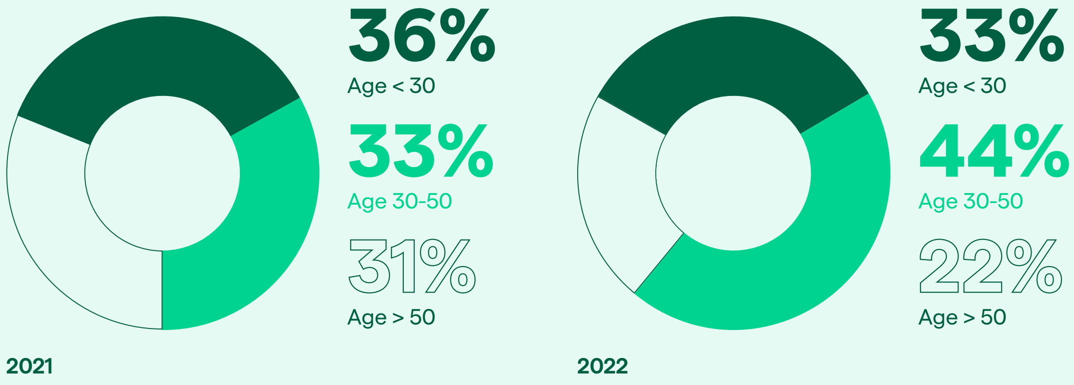
Throughout 2022, we have continued to support a wide range of charitable causes. In particular, we have continued our partnership with Real Care and have been actively involved in various initiatives, for example by contributing to their collection of Christmas presents for children and young adults in foster homes. Read more about Real Care and their work on page 24.

Gender balance

% female



Distribution of employees by age



Integration of our ESG Investment Policy

The ambition with our ESG Investment Policy is to analyse and act on ESG factors in all stages of the investment phase.

All investment opportunities have to undergo an ESG screening, which is a data gathering desktop exercise. This screening leads to an initial ESG analysis that highlights the largest ESG factors. If the opportunity evolves further an ESG due dilligence is conducted on site and finally all relevant information on ESG factors are included in the negotiation phases. Once transactions are concluded and assets are under management, all ESG activities relating to the investment project will be handed over to the Asset Management team, and the material ESG factors will be included in the action plans for the relevant assets. The monitoring and reporting of the ESG activities will be conducted in a review alongside our financial reports. This ambition was launched with our 2021 Sustainability Report and in 2022 we have gathered the first data points to initiate test cases of the policy.

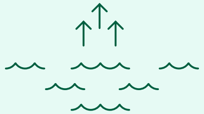
One example of the ESG factors included in our ESG investment policy is physical climate change risk. In Denmark, these risks are already present and the scenario data that we utilize shows severe risks to the built environment in the decades to come. The Danish authorities have for over a decade planned and implemented solutions in the built environment to cope with these risks. Examples of solutions are large pumps, emergency flood channels, detention pools and many more. The public solutions are included in our risks assessments and if data shows that a climate change adaptation solution should be implemented on an investment, it is important that the solution complements the solutions done by the authorities.

Physical Climate Change

When undergoing the physical climate change risks assessments, we use the different RCP-scenarios according to the IPCC.

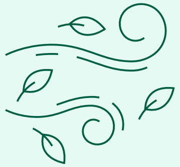
The climate-related risks we currently include in every initial screening are:

Sea level rise



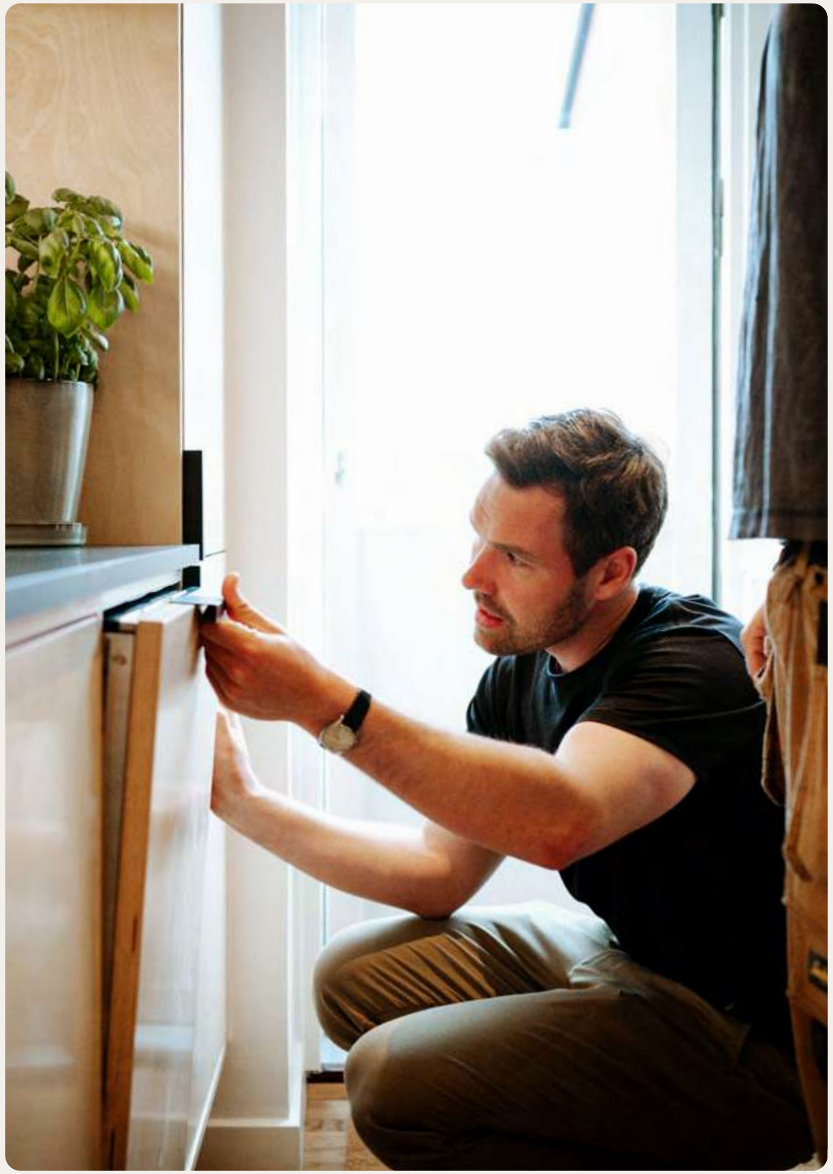
Heavy precipitation

Storm



Flood

(coastal, fluvial, pluvial, ground water)



CASE

Sustainable kitchens with Stykka

Thylander partnered with Stykka, a sustainable interior furniture production company, in the replacement of kitchens in connection to the modernisation of more than 700 apartments in the Copenhagen area for Thylander.

There has been a significant increase in the demand for sustainable construction and renovation, both in Denmark and internationally. Investors, contractors and tenants are increasingly choosing sustainable solutions that takes into account both the economy and the environment.

Stykka takes a digital approach to furniture production by developing a circular kitchen in FSC-certified wood, where maintenance is supported by a digital operating platform. Stykka's kitchens all have a "digital twin" through the use of QR codes. This is a virtual copy of the kitchen, making it easy to keep track of the individual parts as well as their durability. If an individual part of the kitchen needs to be replaced, it can be sent back to Stykka and reused for other purposes, thus reducing waste.

"Sustainable solutions are no longer an expensive option, but a way to save time and money. We are therefore proud that Thylander, a leading player in the property industry, has chosen to take the next step towards a greener property portfolio with us," says Jarl Vindnæs, CEO of Stykka.

Instead of replacing the entire kitchen, Thylander can thereby extend its lifespan by only replacing worn out or damaged elements, benefiting both the economy and the environment. Thylander's focus on circular economy and quality is supported by the CEO's, Lars Thylander, statement "Thylander should ideally build as little as possible, but as well as possible".

> "Sustainable solutions are no longer an expensive option, but a way to save time and money.
>
> **Jarl Vindnæs, CEO of Stykka**

Sustainability progress and goals

At Thylander we focus on how we can reduce negative impact and maximise our positive impact

2022

Strong data foundation

CO_2e emissions roadmap

Calculated CO_2e scope 1, 2 and 3 emissions

SFDR disclosures

2023

Biodiversity strategy

Industry benchmarking through GRESB

Limited assurance on CO_2e emissions

Climate change adaptation strategy

2024 +

50% reduction in CO_2e Scope 1 and 2 by 2027

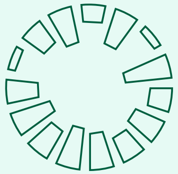
50% reduction in Scope 3 by 2027 (CO_2e per SQM)

In 2023 we will build the foundation for our sustainability work.

Biodiversity strategy

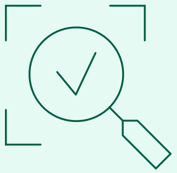
In 2023, we will formulate a biodiversity strategy in collaboration with biodiversity knowledge experts. In this strategy, we will define our biodiversity and ecosystems reporting metrics, with inspiration from EU regulatory frameworks, and establish a transition plan.

Industry benchmarking through GRESB



We will leverage our GRESB membership to measure our overall sustainability performance as well as use it to compare our performance to our industry peers. We will also gain feedback on how we can improve our integration of ESG factors within our organisation.

Limited assurance on CO_2e emissions



To ensure transparency, regarding our sustainability data, we will have an external third-party provider perform a limited assurance on our CO_2e emissions and other ESG data used within our operations.

Climate change adaptation implementation strategy

In 2023, we will expand our climate adaptation efforts beyond screening for climate related risks and opportunities. This expansion will include a plan for climate change assessments and implementation solutions with inspiration from the EU taxonomy.

Future sustainability ambitions and visions

Our future

Where do we see ourselves and what do we strive for

We aspire to be sustainability leaders within the real estate industry and to lead by example	We strive for reliable data in our sustainability calculations	We strive to set ambitious sustainability targets and to challenge our peers and partners to do better	We aim to be part of the solution by attracting talented individuals with competencies in sustainability and ESG

Alignment with our values

How our future ambitions currently match our corporate identity today

Excellence and entrepreneurship	**Integrity and excellence**	**Excellence and unity**	**Unity and people centricity**
We want to find new ways to build and manage real estate properties in order to take our value creation as far as possible.	We want to be transparent and reliable to our stakeholders.	We want to work with our partners to improve their standards and operations.	We want to collaborate with talented people and develop sustainable industry specific solutions.

CASE

Real Care

Real Care is an initiative that aims at uniting companies in the Danish real estate sector around a common purpose of contributing to the development of a socially sustainable society, with a focus on creating a safe environment and ensuring social justice for vulnerable children and young people.

The vision of Real Care is to provide vulnerable children and young people with equal opportunities to create a life for themselves, where they can thrive, break out of negative social heritage, and realise their full potential.

Real Care was founded by Line Skovfred, who is also the Managing Director for the initiative. Real Care was officially launched in March 2022. Lars Thylander and Thylander has, together with other prominent real estate companies, taken an active role in the development of Real Care. "At Thylander we are proud of the results that have already been created in Real Care's first year of existence." says Lars Thylander, CEO of Thylander and Chairman of Real Care's Board.

Projects supported in 2022

The first project supported by Real Care in 2022 was Joannahuset, which is Denmark's first crisis centre for children and young people, providing help 24/7 free of charge. Joannahuset consists of one house located at Christianshavn in Copenhagen.

During 2022, Real Care has supported Joannahuset with various measures; financial support for participation in Folkemødet on Bornholm – the democracy festival of Denmark, with the aim of creating political awareness about Joannahuset and the difference they make for children and young people under 18 in crisis and who have nowhere else to go; financial support for an extra employee in the house, due to a greater number of inquiries from children and young people than originally expected; and a confirmation for a young user of the house; donated warm clothes for winter and, not least, housed a young homeless until a new foster family was found.

The second project supported by Real Care in 2022 was Børnehjælpsdagen – a charity organization that focuses on improving the living conditions for the more than 13,000 children and young people in foster care in Denmark. Together with Børnehjælpsdagen, Real Care launched a Christmas campaign across its partners, in which Christmas trees with gift wishes from children and young people in foster care were set up in all companies. The campaign resulted in the company's employees helping to fulfil 607 unique Christmas presents, of which 68 were donated by Thylander employees.

In addition to the collection of gifts, Real Care Ambassadors, consisting of volunteer employees from Thylander and other partner organisations, helped wrap more than 1,000 presents for Børnehjælpsdagen's seven annual Christmas parties, as well as contributed to the running of all these parties around the country.

Both projects will continue in 2023, and we are delighted that Thylander and our employees are involved in the various efforts.

> “At Thylander we are proud of the results that have already been created in Real Care's first year of existence.
>
> **Lars Thylander, CEO of Thylander and Chairman of Real Care's Board**

Our commitments

UN Principles of Responsible Investments (PRI)

Thylander committed ourselves as a signatory of the UN PRI in our 2021 sustainability report, and thereby we adopt and implement the six principles into our operations. In addition, we follow the guidelines, uphold the minimum requirements and report accordingly.

How we incorporate the principles

Throughout the year, we have included ESG issues into various different areas of our business, for example it is included in our investment policy and code of conduct. We especially have incorporated it as a key element in our initial analysis of an investment and throughout the due diligence process to ensure that numerous ESG issues are addressed and taken into consideration when making investment decisions.

Moreover, Thylander complies and reports according to numerous ESG frameworks, particularly since we are signatories of both UN PRI and Global Compact and we follow TCFD's recommendations. We are continuously focused on improving our disclosure and reporting as we gain more data and insights. Thylander has adopted a learning approach towards ESG, and as we have gained full understanding of one area in all of our portfolios, we will then focus on another area/issue and gain data and knowledge of that and incorporate this information into our reporting. We hope that our transparent approach can prove to be an example for other actors in our industry and that it will promote the acceptance and implementation of the principles.

In 2022 we established a sustainability group, which focuses on improving Thylander's impact and is responsible for measuring and reporting on ESG factors. Furthermore, as a part of our internal processes, we have included the UN PRI reporting into our priorities and internal timeline, and therefore have dedicated time and resources to ensure we implement and report on these areas.

UN Global Compact Communication on Progress

Statement of Continued Support

We are pleased to confirm that Thylander continues to support the Ten Principles of the United Nations Global Compact on human rights, labour, environment and anti-corruption. These principles will continue to be a part of the strategy and day-to-day operations of our company.

> “As this is our first annual commitment on progress as a signatory, we will describe the implementation of the principles into our business.
>
> **Lars Thylander (CEO, Partner)**

Our metrics

Currently, at Thylander we are developing our metrics and improving our data and reporting foundation. Therefore, we are still in the beginning stages of defining our ESG metrics. Our metrics consist of: CO_2 emissions from Scope 1, 2 and 3, energy use, CO_2 intensity, water use. We will use these metrics to compare our annual performance on these areas and to set targets and ambitions, and as our data and reporting standards become more concrete we will have more defined targets and goals. We have set some ambitions and targets for 2023 and 2027, these are available on page 15. These ambitions set the tone for our upcoming work and corporate mindset.

Description of practical actions (UN Global Compact)

In our last sustainability report, we identified the 10 principles with focuses on the 4 issues of of human rights, labour, environment, and anti-corruption.
In the section below, we outline where our actions, policies and progress on these principles can be assessed.

Human Rights

1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. Make sure that they are not complicit in human rights abuses

These principles are addressed and discussed in Thylander's Code of Conduct and Supplier Code of Conduct, these can found via. https://thylander.dk/policies/.
In addition, our values incorporate these.

Labour

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
4. The elimination of all forms of forced and compulsory labour;
5. The effective abolition of child labour; and
6. The elimination of discrimination in respect of employment and occupation

These principles are addressed and discussed in Thylander's Code of Conduct, Supplier Code of Conduct and Wage Policy, these can found via. https://thylander.dk/policies/.
In addition, our values incorporate these.

Environment

7. Businesses should support a precautionary approach to environmental challenges;
8. Undertake initiatives to promote greater environmental responsibility; and
9. Encourage the development and diffusion of environmentally friendly technologies

These principles are addressed and discussed in Thylander's Code of Conduct, Supplier Code of Conduct, ESG Investment Policy, and Sustainability Report, these can found via. https://thylander.dk/policies/ and https://thylander.dk/esg/.
In addition, on our website we state our sustainability targets, goals and initiatives, these can be found via. https://thylander.dk/esg/.

Anti-corruption

10. Businesses should work against corruption in all its forms, including extortion and bribery.

These principles are addressed and discussed in Thylander's Code of Conduct, Supplier Code of Conduct, ESG Investment Policy, and Whistleblower Scheme, these can found via. https://thylander.dk/policies/ and https://thylander.dk/esg/.

TCFD disclosure

Below we report on our climate-related financial disclosures based on the four thematic areas from the TCFD framework, as we declared in our last sustainability report.

	TCFD Recommendation	2022 Disclosures
Governance	Describe the board's oversight of related risk and opportunities	Thylander's Board oversees all major changes in the company and to internal policies. In 2022, the Board voted to approve the new ESG Investment Policy and Code of Conduct, which discuss climate-related risks and opportunities and how Thylander as a company should approach sustainability. Some of the Board members also have competencies and knowledge within sustainability and therefore can be actively ensure that it is being addressed and represented within our decisions. In general, climate and sustainability are an item on the Board's agenda at least once annually. Climate-related risk and opportunities are incorporated throughout Thylander in our strategic decisions, planning and reporting.
	Describe management's role in assessing and managing climate-related risks and opportunities	Our leadership team was actively involved in the development of our ESG strategy and selection of which climate risks were relevant for the properties across our portfolios. In addition, when a substantial climate-related risk or opportunity is identified outside of our normal scope/check, it is also brought to management's attention, where these scenarios will be handled on an individual basis.

Strategy	TCFD Recommendation	2022 Disclosures
	Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	Throughout 2022, we have assessed both transition and physical climate-related risks. Short term (1 to 2 years) risks are identified primarily as transitional, as market actors are becoming more aware of sustainability and therefore, we can see a shift in the actors' market perspectives in terms of acquisitions and divestments of certain assets. In the medium term (3 to 9 years), transition risks regarding the constant introduction of new regulation will have widespread impact on all stakeholders within the real estate sector. We have conducted an internal assessment, which considers the various IPCC scenarios, showing the first signs of physical climate-related risks on the properties under our management. In addition to the above identified risks, we expect tenants in the long term (10 to 30 years) to demand properties which take into account sustainability and physical climate-related risks.

Strategy	TCFD Recommendation	2022 Disclosures
	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	The identified climate-related risks and opportunities has impacted Thylander's business, strategy and financial planning in various ways. In the past year, we have implemented our ESG investment policy, completed SFDR disclosures and adopted the EU taxonomy's guidelines for real estate within our operations. As launched in our 2022 annual report, we have introduced our carbon emissions reduction commitment called FIVE:FIFTY. In the upcoming year, we will present climate adaptation and biodiversity strategies. Regarding financial planning, we have begun to introduce additional CAPEX to investments for the purpose of mitigating climate-related risks.
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2 degree or lower scenario	In terms of Thylander's organizational strategy, we believe that we have incorporated initiatives and processes that can withstand climate-related risks and opportunities including a 2°C or lower scenario. However, at this time it is difficult to have absolute certainty about the extend of these risks and opportunities and therefore, we will continually monitor and adjust our strategy accordingly.

Risk Management: TCFD Recommendation	2022 Disclosures
Describe the organisation's processes for identifying and assessing climate-related risks	Currently, Thylander focuses mainly on physical climate-related risks, and these are included in our ESG Investment Policy, where we screen and identify the physical climate-related risks of each investment. Based on this we assess each investment's climate risk according to the different climate related scenarios and factor this assessment into our investment decision. This is also further supported as climate-related risks are also considered within the Due Diligence process, and thus the negotiation process.
Describe the organisation's processes for managing climate-related risks	After climate-related risks are identified and assessed and if we move forward with the investment, we evaluate if action is necessary and when. We also continuously monitor our existing properties/investments to see if climate-related risks have increased and action is needed.
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	Climate-related risks have recently been integrated in our overall risk management processes through the establishment of Thylander's ESG Investment Policy. In addition, climate and sustainability is considered in the development of funds, properties and products.

Metrics and targets: TCFD Recommendation	2022 Disclosures
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk manage-ment process	Please see page 19
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emis-sions, and the related risks	Please see page 16 and 17
Describe the targets used by the organisation to manage climate-related risks and opportunities and perfor-mance against targets	Currently, the targets used in Thylander are based on our FIVE:FIFTY ambition. However, given our base year is 2022, we cannot yet measure our performance against our targets.

Financial statements

Management’s statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Thylander Gruppen A/S for the financial year 1 January - 31 December 2022.

The Annual Report is prepared in accordance with the Danish Alternative Investment Fund Managers etc. 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 2022 of the Company and the Group and of the results of the Company and Group operations for 2022.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review as well as a description of the most significant risks and elements of uncertainty facing the Group and the Parent Company.

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

Copenhagen, 3 March 2023

Executive Board

Lars Thylander
CEO

Søren Vendelbo Jacobsen
Deputy CEO

Mikkel Rosendahl
COO/CFO

Board of Directors

Maria Helene Hjort
Chairman

Jørgen Rugholm

Per H. Jensen

Peter Reedtz

Per Klitgård Poulsen

Lykke Friis

Independent Auditor’s report

To the Shareholders of Thylander Gruppen 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 2022 and of the results of the Group’s and the Parent Company’s operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Alternative Investment Fund Managers etc. Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Thylander Gruppen A/S for the financial year 1 January - 31 December 2022, which comprise income statement, comprehensive income for the year, 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.

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 Alternative Investment Fund Managers etc. 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 Alternative Investment Fund Managers etc. 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 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 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.

- 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 Company’s and the Group’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 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Copenhagen, 3 March 2023

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR-nr. 33 77 12 31

Henrik Ødegaard
state autorised public accountant
mne31489

Company information

The Company

Thylander Gruppen A/S
Bredgade 40
DK-1260 Copenhagen
E-mail: info@thylander.dk
Website: www.thylander.dk
CVR No: 34 80 07 82
FTID: 23060
Financial period: 1 January - 31 December
Municipality of reg. office: Copenhagen

Board of Directors

Maria Helene Hjort, Chairman
Jørgen Rugholm
Per H. Jensen
Peter Reedtz
Per Klitgård Poulsen
Lykke Friis

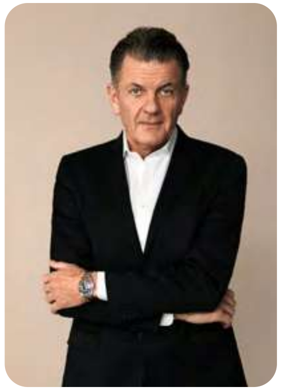
Executive Board

Lars Thylander
Søren Vendelbo Jacobsen
Mikkel Rosendahl

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup

Overview of management's other positions



Lars Thylander
CEO

Member of management at:
Anpartsselskabet 9. december 2021
ApS af 1986
I/S Brentwood Management
Komplementarselskabet 17. december ApS
Klejngaard Angels ApS
TGHFKH ApS
Thylander Gruppen Holding A/S
Komplementaranpartsselskabet Strandvejen 195-199
Jøra Invest ApS

Board member of:
Forælder Fonden
22. november 2021 ApS
Ejendomsselskabet Smedeland 30 P/S
TPF 1 P/S
TPF 2 P/S
TPF 3 P/S
ADVANTAGE Investment Partners A/S
17. december P/S
Thylander Property Fund Holding P/S
Klejngaard Security ApS
Norse Property Management A/S
108 HoldCo ApS
Strandgade 108 ApS
Kolding Ejendomsinvest A/S
TG Helgolandsgade P/S
Esbjerg Storcenter A/S
Aktieselskabet af 1. maj 2019
Klejngaard Security ApS
Klejngaard Safety ApS
Klejngaard Angels ApS
Danske Boligejendomme P/S
TGPVI LH P/S
TGPVI LH Holding P/S
TG Hauser Plads 28-32 P/S
Havnegade Invest ApS
Tank Invest ApS
TG HG21LG22 ApS
Falsled Kro A/S
TG Partners VI P/S
TG Partners VI P/S Holding
Falsled Kro Holding A/S
Power Hall A/S
Esplanadens Ejendomsselskab P/S
Burrito Venture Partners A/S
Sophienberg Gruppen A/S
Thylander Gruppen Holding A/S
I/S Brentwood Management
K/S Strandvejen 195-199
TG Partners II P/S

Overview of management's other positions

Søren Vendelbo Jacobsen
Deputy CEO

Member of management at:
Komplementarselskabet TGP VIII ApS
Valuaro ApS
Ventec Invest ApS

Board member of:
none

Mikkel Rosendahl
COO/CFO

Member of management at:
none

Board member of:
TANK INVEST ApS
TGPVI LH Holding P/S
TG HG21LG22 ApS
Havnegade Invest ApS
108 HoldCo ApS
STRANDGADE 108 ApS
TG Hauser Plads 28-32 P/S
TGPVI LH P/S
TPF 1 P/S
TPF 2 P/S
TPF 3 P/S

Overview of Board members' other positions

Maria Hjorth
Chair

Member of management at:
Nolu Holding ApS

Board member of:
Adform A/S
Topdanmark Forsikring A/S
Topdanmark A/S
Maj Invest Holding A/S
Fondsmæglerselskabet Maj Invest A/S
Maj Invest Equity A/S
Asetek A/S
Trifork Holding AG

Lykke Friis
Board Member

Member of organisation at:
Tænketanken Europa

Board member of:
Blue World Technologies Holding ApS
Blue World Technologies ApS
Ombold
Unicef Præsidium
Kræftens Bekæmpelse (President)
Unleash
Dansk-Tyske Handelskammer
ECFR (European Council of Foreign Affairs)
Team Danmark
Landsholdskomiteen (DBU)

Per H. Jensen
Board Member

Member of management at:
Alsapeka Invest ApS
J-F. Lemvigh-Müller Holding A/S

Board member of:
LEMVIGH-MÜLLER A/S, næstformand
K Alternativ Private Equity 2023 K/S
K Alternativ Private Equity 2022 K/S
K Alternativ Private Equity 2021 K/S
K Alternativ Private Equity 2020 K/S
K Alternativ Private Equity 2019 K/S
Core Bolig VIII Investoraktieselskab nr. 1-8 og 10-14
Core Bolig VIII Investor Kommanditaktieselskab nr. 9
Core Bolig VII Investoraktieselskab nr. 1-10
Core Bolig VII Kommanditaktieselskab
Core Bolig VIII Kommanditaktieselskab

Overview of Board members' other positions

Per Klitgård Poulsen
Board Member

Member of management at:
Strandparksvej 28 ApS
Coco ApS
Søhusvej Ejendomme ApS
Komplementarselskabet 17. december ApS
Sohusvej PE ApS
Gruts Allé ApS

Board member of:
Thylander Property Fund Holding P/S
North Risk A/S
North Risk Holding A/S
17. december P/S
TG Helgolandsgade P/S
Advantage Investment Partners A/S
Agrometer A/S
Agrometer Investment A/S
Dansk Smede- og Maskinteknik A/S
Fletco Carpets A/S
Fletco Investment A/S
IBP H ApS
C WorldWide Group Holding A/S
C WorldWide Holding A/S
Gasa Group Denmark A/S
Gasa Group Holding A/S
Gasa Investment A/S
Søhusvej A/S
Padel Yard Holding ApS

Peter Reedtz
Board Member

Member of management at:
Asset Allocation Instituttet
Reedtz Invest ApS
Reedtz Fodbold ApS

Board member of:
Thylander Property Fund Holding P/S
NCI Credit Opportunity Fund A/S
Hypokredit A/S
Hypoteket A/S
Hypoflex A/S
Det Frederiksbergske Ejendoms-Societet Aktieselskab
Eva Werner Holding ApS
Core Bolig IX Investoraktieselskab Nr. 1-20
Core Bolig IX Kommanditaktieselskab
TG Partners VI P/S
TG Partners VI P/S Holding
Investeringsforeningen Sparinvest
Private Global Property GP ApS
Newcap Holding A/S

Jørgen Rugholm
Board Member

Member of management at:
BG40-5 A/S
Cabris ApS
FHR Invest ApS
RUFR Invest ApS
FutureConsumer Invest 2 ApS
FutureConsumer Invest 3 ApS
FutureConsumer Invest ApS

Board member of:
22. november 2021 ApS
The Fiddlery ApS
Bactolife ApS
BG40-5 A/S
ADVANTAGE Investment Partners A/S
BG40-5 A/S
Cabris ApS
FutureConsumer Invest ApS
RUFR Invest 1 K/S
OLIOLI Holding ApS
Controlant

Income statement

1 January - 31 December

DKK	Note	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
Management fees	1	120,226,503	38,823,791	61,547,572	29,485,830
Other operating income	2	13,819,747	46,137,319	2,797,553	46,089,875
Expenses for personnel and administration	3 - 4	-85,339,757	-48,596,166	-72,109,911	-44,406,639
Other operating expenses	5	-5,589,254	0	0	0
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	7	-739,250	-370,441	-739,250	-370,441
Profit/loss before financial income and expenses		**42,377,989**	**35,994,503**	**-8,504,036**	**30,798,625**
Income from investments in subsidiaries		0	0	36,014,102	4,282,038
Income from investments in associates		-781,116	8,707,008	764,754	8,707,008
Financial income	8	3,145,177	773,599	1,757,250	773,598
Financial expenses	9	-9,998,740	-740,604	-3,246,894	-1,035,160
Fair value adjustments	10	-504,355	16,726,997	-5,662,175	16,726,997
Profit/loss before tax		**34,238,955**	**61,461,503**	**21,123,001**	**60,253,106**
Tax on profit/loss for the year	11	-10,186,205	-10,470,312	1,684,891	-9,261,915
Profit/loss before minority interests		**24,052,750**	**50,991,191**	**22,807,892**	**50,991,191**
Minority interests' share of net profit/loss of subsidiaries		-1,244,858	0	0	0
Net profit/loss for the year		**22,807,892**	**50,991,191**	**22,807,892**	**50,991,191**
Comprehensive income		0	0	0	0
Comprehensive income for the year		**22,807,892**	**50,991,191**	**22,807,892**	**50,991,191**

Distribution of profit

DKK	Parent Company 2022	Parent Company 2021
Proposed distribution of profit		
Extraordinary dividend paid	1,745,396	0
Proposed dividend for the year	0	40,000,000
Reserve for net revaluation under the equity method	-13,585,805	-2,965,965
Retained earnings	34,648,301	13,957,156
	22,807,892	**50,991,191**

Balance sheet

31 December

DKK	Note	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
ASSETS					
Goodwill		24,078,142	0	0	0
Intangible assets	12	**24,078,142**	**0**	**0**	**0**
Investment properties	13	25,915,000	0	0	0
Other fixtures and fittings, tools and equipment	14	2,737,442	2,278,178	2,737,442	2,278,178
Leasehold improvement	15	784,141	0	784,141	0
Property, plant and equipment		**29,436,583**	**2,278,178**	**3,521,583**	**2,278,178**
Fixed assets		**53,514,725**	**2,278,178**	**3,521,583**	**2,278,178**
Trade receivables		27,921,363	30,560,452	26,512,697	30,113,433
Receivables from group enterprises		0	0	53,902,875	30,098,809
Receivables from associates		12,392,683	14,183,057	434,951	14,183,057
Other receivables	16	22,556,198	10,577,656	14,188,958	9,205,330
Corporation tax		0	0	1,299,691	0
Receivables		**62,870,244**	**55,321,165**	**96,339,172**	**83,600,629**
Investments in subsidiaries	17	0	0	68,494,063	22,253,509
Investments in associates	18	15,897,279	19,216,246	314,084	19,216,246
Other investments	19	50,735,471	63,611,263	50,735,471	63,611,263
Current asset investments		**66,632,750**	**82,827,509**	**119,543,618**	**105,081,018**
Cash at bank and in hand	20	**58,357,698**	**37,984,104**	**46,156,654**	**35,988,634**
Currents assets		**187,860,692**	**176,132,778**	**262,039,444**	**224,670,281**
Assets		**241,375,417**	**178,410,956**	**265,561,027**	**226,948,459**

DKK	Note	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
LIABILITIES AND EQUITY					
Share capital		1,000,000	1,000,000	1,000,000	1,000,000
Reserve for net revaluation under the equity method		0	0	0	13,585,805
Retained earnings		108,974,633	86,667,279	108,974,633	73,081,474
Proposed dividend for the year		0	40,000,000	0	40,000,000
Equity		**109,974,633**	**127,667,279**	**109,974,633**	**127,667,279**
Provision for deferred tax	21	5,585,223	3,927,625	4,459,485	3,927,625
Provisions		**5,585,223**	**3,927,625**	**4,459,485**	**3,927,625**
Payables to group enterprises		25,194,000	0	25,194,000	0
Other payables		26,000,000	0	7,000,000	0
Long-term debt		**51,194,000**	**0**	**32,194,000**	**0**
Credit institutions		1,182	266	1,182	266
Payables to group enterprises		37,265,813	18,540,844	96,854,878	69,485,535
Corporation tax		10,736,909	8,558,120	0	7,127,162
Other payables		26,617,657	19,716,822	22,076,849	18,740,592
Debt		**125,815,561**	**46,816,052**	**151,126,909**	**95,353,555**
Liabilities and equity		**241,375,417**	**178,410,956**	**265,561,027**	**226,948,459**
Fee to auditors appointed at the general meeting	6				
Contingent assets, liabilities and other financial obligations	23				
Related parties	24				
Accounting Policies	25				

Statement of changes in equity

Group

DKK	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Equity excl. minority interests	Minority interests	Total
2022							
Equity at 1 January	1,000,000	0	86,667,279	40,000,000	127,667,279	0	127,667,279
Ordinary dividend paid	0	0	0	-40,000,000	-40,000,000	0	-40,000,000
Extraordinary dividend paid	0	0	-1,745,396	0	-1,745,396	0	-1,745,396
Other equity movements	0	0	1,244,858	0	1,244,858	-1,244,858	0
Comprehensive income for the year	0	0	22,807,892	0	22,807,892	1,244,858	24,052,750
Equity at 31 December	**1,000,000**	**0**	**108,974,633**	**0**	**109,974,633**	**0**	**109,974,633**
2021							
Equity at 1 January	1,000,000	0	75,676,088	0	76,676,088	0	76,676,088
Comprehensive income for the year	0	0	10,991,191	40,000,000	50,991,191	0	50,991,191
Equity at 31 December	**1,000,000**	**0**	**86,667,279**	**40,000,000**	**127,667,279**	**0**	**127,667,279**

Parent Company

DKK	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Equity excl. minority interests	Minority interests	Total
2022							
Equity at 1 January	1,000,000	13,585,805	73,081,474	40,000,000	127,667,279	0	127,667,279
Ordinary dividend paid	0	0	0	-40,000,000	-40,000,000	0	-40,000,000
Extraordinary dividend paid	0	0	-1,745,396	0	-1,745,396	0	-1,745,396
Other equity movements	0	0	1,244,858	0	1,244,858	0	1,244,858
Comprehensive income for the year	0	-13,585,805	36,393,697	0	22,807,892	0	22,807,892
Equity at 31 December	**1,000,000**	**0**	**108,974,633**	**0**	**109,974,633**	**0**	**109,974,633**
2021							
Equity at 1 January	1,000,000	16,551,770	59,124,318	0	76,676,088	0	76,676,088
Comprehensive income for the year	0	-2,965,965	13,957,156	40,000,000	50,991,191	0	50,991,191
Equity at 31 December	**1,000,000**	**13,585,805**	**73,081,474**	**40,000,000**	**127,667,279**	**0**	**127,667,279**

The share capital consists of 1,000,000 shares of a nominal value of DKK 1.
The share capital consists of 999,990 A-shares and 10 B-shares. The B-shares carry a preference dividend related to certain fees and investments.

Notes to the financial statements

Notes to Income statement

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Notes to the financial statements

DKK	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
1 Management fees				
TG funds	12,501,863	11,789,094	12,501,863	11,789,094
Other funds	106,818,826	21,124,508	45,948,669	13,376,472
Other	905,814	5,910,189	3,097,040	4,320,264
	120,226,503	**38,823,791**	**61,547,572**	**29,485,830**
2 Other operating income				
Transaction and development fees	5,243,000	45,113,654	0	45,113,654
Real estate projects	5,616,000	0	0	0
Rental income	2,536,716	666,221	2,448,554	666,221
Other income	424,031	357,444	348,999	310,000
	13,819,747	**46,137,319**	**2,797,553**	**46,089,875**
3 Other external expenses				
Other expenses	4,909,107	2,907,908	2,918,030	2,536,031
Depository	911,243	568,005	877,993	568,005
Consultants and other external assistance	11,025,998	5,651,823	8,129,389	5,012,974
Expenses relating to premises	7,173,621	2,404,158	7,046,086	2,404,158
Selling expenses	1,930,678	1,757,703	1,870,580	1,757,703
Travel expenses	335,759	142,349	291,507	142,349
Development projects	0	4,185,000	9,600,000	4,185,000
	26,286,406	**17,616,946**	**30,733,585**	**16,606,220**

DKK	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
4 Staff expenses*				
Wages and salaries	52,610,238	27,198,561	36,698,890	24,087,937
Pensions	0	192,296	0	192,296
Other social security expenses	375,615	304,948	287,672	240,225
Other staff expenses*	6,067,498	3,283,415	4,389,764	3,279,961
	59,053,351	**30,979,220**	**41,376,326**	**27,800,419**
Including remuneration to the Executive Board and Board of Directors of:				
Executive Board	2,437,423	2,469,128	1,296,881	1,386,692
Executive Board - variable remuneration	0	0	0	0
Board of Directors	3,655,446	3,997,286	2,643,369	2,463,835
Board of Directors - variable remuneration	0	0	0	0
	6,092,869	**6,466,414**	**3,940,250**	**3,850,527**
Number of Executive Board	3	1	3	1
Number of Board of Directors	7	7	7	7
Average number of employees	52	26	42	26
5 Other operating expenses				
Expenses, investment properties	624,997	0	0	0
Real estate projects	4,964,257	0	0	0
	5,589,254	**0**	**0**	**0**

The individual remuneration to the Executive Board and Board of Directors has been published separately on the Thylander Groups website: https://thylander.dk/policies/

Notes to the Financial Statements

DKK	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
6 Fee to auditors appointed at the general meeting				
PricewaterhouseCoopers				
Fee regarding statutory audit	235,600	141,000	124,000	108,000
Other assurance engagements	0	0	0	0
Tax advisory services	133,800	152,400	33,800	5,900
Other services	379,200	58,100	369,200	58,100
	748,600	**351,500**	**527,000**	**172,000**
7 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment				
Depreciation of property, plant and equipment	739,250	370,441	739,250	370,441
	739,250	**370,441**	**739,250**	**370,441**
8 Financial income				
Interest received from group enterprises	0	0	1,151,180	0
Interest received from associates	750,856	581,035	239,830	581,035
Other financial income	2,394,321	192,564	366,240	192,563
	3,145,177	**773,599**	**1,757,250**	**773,598**
9 Financial expenses				
Interest paid to group enterprises	2,153,458	533,314	2,444,499	853,246
Banks	458,277	141,155	132,541	118,113
Other financial expenses	7,387,005	66,135	669,854	63,801
	9,998,740	**740,604**	**3,246,894**	**1,035,160**

DKK	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
10 Fair value adjustments				
Impairment losses on receivables	-1,914,278	0	-1,914,278	0
Fair value adjustments on other investments	-3,747,897	16,726,997	-3,747,897	16,726,997
Fair value adjustments on investment properties	5,157,820	0	0	0
	-504,355	**16,726,997**	**-5,662,175**	**16,726,997**

DKK	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
11 Tax on profit/loss for the year				
Current tax for the year	9,882,759	7,940,163	-2,216,751	6,731,766
Deferred tax for the year	304,008	2,530,149	531,860	2,530,149
Adjustment of tax concerning previous years	-562	0	0	0
	10,186,205	**10,470,312**	**-1,684,891**	**9,261,915**
Tax on profit/loss for the year is calculated as follows:				
Profit/loss before tax	34,238,955	61,461,503	21,123,001	60,253,106
Calculated 22% tax on profit/loss for the year before tax	7,532,570	13,521,531	4,647,060	13,371,711
Tax effect of:				
Non-taxable income and non-deductible costs	2,653,635	-3,051,219	-6,331,951	-4,109,796
	10,186,205	**10,470,312**	**-1,684,891**	**9,261,915**

Notes to the Financial Statements

Group DKK	Goodwill
12 Intangible assets	
Cost at 1 January	0
Additions for the year, acquisition of Sophienberg Group	24,078,142
Cost at 31 December	24,078,142
Impairment losses at 1 January	0
Impairment losses at 31 December	0
Carrying value at 31 December	**24,078,142**

Management has tested the carrying amount of goodwill for impairment at 31 December 2022. The impairment test is based on the recoverable amount calculated as the higher of fair value less costs of disposal or value in use.

For 2022, the impairment test is based on the recent external valuation performed in connection to the acquisition. Management has reviewed the assumptions in the valuation from the acquisition and identified no impairment triggers. Thus, there are no impairment indicators.

DKK	Group 2022
13 Investment properties	
Cost at 1 January	0
Net effect from merger and acquisition	70,637,992
Additions for the year	57,810,221
Disposals for the year	-105,163,498
Cost at 31 December	23,284,715
Value adjustments at 1 January	0
Net effect from merger and acquisition	37,359,018
Revaluations for the year	5,157,820
Reversal of revaluations of sold assets	-39,886,553
Value adjustments at 31 December	2,630,285
Carrying amount at 31 December	25,915,000

The determination of the fair value is calculated using a return-based model (NOI) with established return requirements. The use of accounting estimates means that there is some uncertainty in the calculation of the fair value. The fair value is calculated on the basis of assumptions that management deems probable and realistic. Management continuously reassesses the assumptions and any changes therein are reflected in the fair value. The most important assumptions used in determining the fair value are set out below. The group own two investment properties located in Bagsværd.

Required return on valuation:	4.2%
Construction rights:	DKK 3,575 m2
Estimated rental:	DKK 1,837 m2
Estimated operating costs:	DKK 275 m2

Notes to the Financial Statements

DKK	Group 2022	Group 2021
14 Other fixtures and fittings, tools and equipment		
Cost at 1 January	3,552,294	2,662,708
Additions for the year	1,178,194	889,586
Disposals for the year	-176,650	0
Cost at 31 December	4,553,838	3,552,294
Impairment losses and depreciation at 1 January	1,274,116	903,675
Depreciation for the year	718,930	370,441
Reversal of impairment and depreciation of sold assets	-176,650	0
Impairment losses and depreciation at 31 December	1,816,396	1,274,116
Carrying amount at 31 December	**2,737,442**	**2,278,178**

DKK	Parent Company 2022	Parent Company 2021
Cost at 1 January	3,552,294	2,662,708
Additions for the year	1,178,194	889,586
Disposals for the year	-176,650	0
Cost at 31 December	4,553,838	3,552,294
Impairment losses and depreciation at 1 January	1,274,116	903,675
Depreciation for the year	718,930	370,441
Reversal of impairment and depreciation of sold assets	-176,650	0
Impairment losses and depreciation at 31 December	1,816,396	1,274,116
Carrying amount at 31 December	**2,737,442**	**2,278,178**

DKK	2022
15 Leasehold improvements	
Group	
Cost at 1 January	0
Additions for the year	861,110
Cost at 31 December	861,110
Impairment losses and depriciation at 1 January	0
Depreciation for the year	76,969
Impairment losses and depriciation at 31 December	76,969
Carrying amount at 31 December	784,141
Parent company	
Cost at 1 January	0
Additions for the year	861,110
Cost at 31 December	861,110
Impairment losses and depriciation at 1 January	0
Depreciation for the year	76,969
Impairment losses and depriciation at 31 December	76,969
Carrying amount at 31 December	784,141

DKK	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
16 Other receivables				
Escrow accounts	916,473	1,725,991	0	0
Deposit	2,490,143	1,784,927	2,059,028	1,784,927
Other receivables	19,149,582	7,066,738	12,129,930	7,420,403
	22,556,198	**10,577,656**	**14,188,958**	**9,205,330**

Notes to the Financial Statements

DKK	Parent Company 2022	Parent Company 2021
17 Investments in subsidiaries		
Cost at 1 January	22,457,334	21,744,294
Additions for the year	44,239,740	838,040
Transfers for the year	5,099,949	-125,000
Cost at 31 December	71,797,023	22,457,334
Value adjustments at 1 January	-203,825	12,514,138
Net profit/loss for the year	36,014,102	4,282,038
Dividend to the Parent Company	-55,070,295	-17,000,001
Other adjustments	2,254,468	0
Transfers for the year	13,702,590	0
Value adjustments at 31 December	-3,302,960	-203,825
Carrying amount at 31 December	**68,494,063**	**22,253,509**
Positive differences arising on initial measurement of subsidiaries at net asset value	24,078,142	0

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit/ loss for the year
TG Transaction Management ApS	Copenhagen	80,000	100%	190,581	44,606,748
Esplanadens Komplementarselskab ApS	Copenhagen	50,000	100%	65,614	813
Komplementarselskabet TGP II ApS	Copenhagen	100,000	100%	88,394	0
Komplementarselskabet TGP VI ApS	Copenhagen	50,000	100%	97,107	10,735
Komplementarselskabet TGP VI Holding ApS	Copenhagen	50,000	100%	110,472	11,531
TG Partners II P/S	Copenhagen	17,000,000	100%	16,735,621	-46,869
Komplementaranpartselskabet Danske Boligejendomme	Copenhagen	50,000	100%	46,271	-1,153
Komplementaranpartsselskabet S272 ApS	Copenhagen	40,000	100%	50,795	0
TG Helgolandsgade Komplementarselskab ApS	Copenhagen	50,000	100%	58,207	1,967
Thylander Asset Management ApS	Copenhagen	40,000	100%	-341,949	-1,751,116
Komplementarselskabet TPF Holding ApS	Copenhagen	40,000	100%	52,480	6,240
Komplementarselskabet TPF 1 ApS	Copenhagen	40,000	100%	40,000	0
Komplementarselskabet TPF 2 ApS	Copenhagen	40,000	100%	46,240	3,120
Komplementarselskabet TPF 3 ApS	Copenhagen	40,000	100%	0	0
Build-for-life K/S	Copenhagen	0	100%	0	0
Build-for-life Partners K/S	Copenhagen	0	100%	0	0
Build-for-life GP ApS	Copenhagen	40,000	100%	40,000	0
Sophienberg Gruppen Holding A/S	Copenhagen	200,000	100%	27,319,433	-4,574,411
Sophienberg Gruppen A/S	Copenhagen	500,000	100%	53,522,491	-3,696,685
K/S Laurentsvej 14-16, Bagsværd	Copenhagen	1,000	100%	3,433,724	7,500,243
Laurentsvej 14-16, Bagsværd 2005 ApS	Copenhagen	125,000	100%	117,425	-7,575
Lindehaven Taastrup ApS	Copenhagen	80,000	100%	146,851	-15,103
Ejendomsselskabet Laurentsvej 18-22 ApS	Copenhagen	40,000	100%	1,435,369	1,395,369

Notes to the Financial Statements

DKK	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
18 Investments in associates				
Cost at 1 January	5,426,616	7,026,616	5,426,616	7,026,616
Additions for the year	7,940,500	0	0	0
Disposals for the year	-7,880,500	0	-160,000	0
Transfers for the year	-5,099,949	-1,600,000	-5,099,949	-1,600,000
Cost at 31 December	386,667	5,426,616	166,667	5,426,616
Value adjustments at 1 January	13,789,630	4,037,632	13,789,630	4,037,632
Disposals for the year	-4,312,849	0	-704,377	0
Net profit/loss for the year	-781,116	8,707,008	764,754	8,707,008
Dividends received	0	-142,620	0	-142,620
Other adjustments	1,009,610	0	0	0
Transfers for the year	5,805,337	1,187,610	-13,702,590	1,187,610
Value adjustments at 31 December	15,510,612	13,789,630	147,417	13,789,630
Carrying amount at 31 December	**15,897,279**	**19,216,246**	**314,084**	**19,216,246**

Investments in associates are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit/ loss for the year
I/S Brentwood Management	Copenhagen	0	50%	58,012	0
Power Hall A/S	Copenhagen	501,001	33%	682,246	250,682
Ejendomsselskabet Smedeland 30 P/S	Copenhagen	400,000	50%	31,124,543	6,337,817
Komplementarselskabet Smedeland 30 ApS	Copenhagen	40,000	50%	41,845	1,845

DKK	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
19 Other investments				
Cost at 1 January	34,935,028	23,611,842	34,935,028	23,611,842
Additions for the year	2,266,831	9,598,186	2,266,831	9,598,186
Disposals for the year	-9,175,559	0	-9,175,559	0
Transfers for the year	0	1,725,000	0	1,725,000
Cost at 31 December	28,026,300	34,935,028	28,026,300	34,935,028
Value adjustment at 1 January	28,676,235	22,995,190	28,676,235	22,995,190
Revaluations for the year	-3,883,520	16,726,997	-3,883,520	16,726,997
Dividends received	0	-9,858,342	0	-9,858,342
Reversals for the year of revaluations in previous years	-2,083,544	0	-2,083,544	0
Transfers for the year	0	-1,187,610	0	-1,187,610
Value adjustment at 31 December	22,709,171	28,676,235	22,709,171	28,676,235
Carrying amount at 31 December	**50,735,471**	**63,611,263**	**50,735,471**	**63,611,263**
20 Cash at bank and in hand				
Bank receivables on request	58,357,698	37,984,104	46,156,654	35,988,634
	58,357,698	**37,984,104**	**46,156,654**	**35,988,634**
21 Provision for deferred tax				
Temporary differences including fair value adjustments	5,585,223	3,927,625	4,459,485	3,927,625
	5,585,223	**3,927,625**	**4,459,485**	**3,927,625**

Notes to the Financial Statements

DKK	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
22 Other payables				
Deposit and prepaid rent	627,115	160,097	627,115	160,097
Trade payables	4,292,066	4,287,022	3,429,918	4,118,526
Value added tax etc	3,596,860	8,307,754	2,256,509	7,825,152
Shareholders and management	4,439,036	128,296	4,439,036	128,296
Payables related to wages and salaries	2,976,385	5,781,797	783,467	5,479,618
Loan	3,000,000	0	3,000,000	0
Other payables	7,686,195	1,051,856	7,540,804	1,028,903
	26,617,657	**19,716,822**	**22,076,849**	**18,740,592**

23 Contingent assets, liabilities and other financial obligations

Charges and security
The following assets have been placed as security with other long-term payables of DKK 19,000,000:

DKK	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
Investment properties	25,915,000	0	0	0

Rental and lease obligations
The Company has lease obligations under operating leases of DKK 42,874k (2021: DKK 46,985k). The Group has lease obligations under operating leases of DKK 44,349k (2021: DKK 46,985k).

Other contingent liabilities
For a group of fund investors the Company has given commitment to cover potentiel expenses of approximately DKK 6 - 8 million. The Company does not expect significant payouts related hereto.

The Company and Group has invested in three funds with a remaining commitment of up to DKK 9,603k (2021: DKK 27,988k).

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 ApS af 1986, 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.

Notes to the Financial Statements

24 Related parties

	Basis
Controlling interest	
Thylander Gruppen Holding A/S, Copenhagen	Main shareholder
Other related parties	
FutureConsumer Invest 2 ApS, Holte	Shareholder
JACC Holding ApS, Gentofte	Shareholder
Lars Thylander, Copenhagen	Executive Board
Søren Vendelbo Jacobsen, Hellerup	Executive Board
Mikkel Rosendahl, Brønshøj	Executive Board
Maria Helene Hjorth, Hellerup	Board of Directors
Per H. Jensen, Hellerup	Board of Directors
Peter Reedtz, Charlottenlund	Board of Directors
Per Klitgård Poulsen, Hellerup	Board of Directors
Jørgen Rugholm, Holte	Board of Directors
Lykke Friis, Frederiksberg	Board of Directors

Group enterprises cf. note 17
Associates cf. note 18

Transactions
There have been no transactions with the Board of Directors, the Executive Board, senior officers, significant shareholders, group enterprises or other related parties, except for intercompany transactions and normal management remuneration.

Ownership
The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

Thylander Gruppen Holding A/S, Copenhagen
FutureConsumer Invest 2 ApS, Holte
JACC Holding ApS, Gentofte

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
ApS af 1986	Copenhagen

The Group Annual Report of ApS af 1986 may be obtained at the following address:

c/o Assure Wealth A/S
Gammel Strandvej 16
2990 Nivå

Notes to the Financial Statements

25 Accounting Policies

The Annual Report of Thylander Gruppen A/S for 2022 has been prepared in accordance with the provisions of the Danish Alternative Investment Fund Managers etc. Act, the Danish FSA's Executive Order on general rules for financial statements and audit of Alternative Investment Fund Managers and the Executive Order on Financial Reports for Credit Institutions and Investment Companies etc.

The accounting policies applied remain unchanged from last year.

The Consolidated and Parent Company Financial Statements for 2022 are presented in DKK.

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, Thylander Gruppen 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.

Business combinations
When accounting for business combinations, the acquisition method is applied. Acquired entities are recognised in the consolidated financial statements from the date of acquisition. The date of acquisition is the date on which Thylander Gruppen A/S obtains control of the entity.

The consideration transferred as payment for the acquired entities consists of the fair value of assets transferred, liabilities incurred to former owners of the acquired entities and equity instruments issued.

Identifiable assets, liabilities and contingent liabilities of the acquired entities are measured at fair value at the date of acquisition by applying relevant valuation methods.

Identifiable intangibles are recognised if they are separable or arise from a contractual right.

Deferred tax is recognised for identifiable tax benefits existing at the date of acquisition and from the perspective of the new combined Group in compliance with local tax legislation. The excess of the total consideration transferred over the total identifiable net assets measured at fair value is recognised as goodwill.

If measurement of the identifiable net assets is uncertain at the date of acquisition, initial recognition is done based on provisional amounts.

Measurement period adjustments to the provisional amounts may be done for up to 12 months following the date of acquisition. After the end of the measurement period, goodwill is no longer adjusted.

Transaction costs inherent from the acquisition are recognised in the income statement when incurred.

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

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

Notes to the Financial Statements

25 Accounting Policies (continued)

Income Statement

Management fees
Management fees comprise management fees of the funds under management.

Expenses for personnel andadministration
Staff costs and administrative expenses comprise expenses incurred during the year for company management and administration, including expenses for administrative staff, management, office premises and office expenses.

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

Other operating income and expenses
Other operating income and expenses comprises income of a secondary nature as viewed in relation to the Company's primary activities.

Performance fees are recognised as income when the company obtains definitive rights to the fee.

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.

Fair value adjustments
Fair value adjustment relates to realised and unrealised gain and losses on other investments and investment properties.

Tax on profit/loss for the year
Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the 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 wholly owned Danish subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets
Goodwill arising from business acquisitions is recognised in the financial statements.

Goodwill is initially measured at cost. After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill is, from the acquisition date, allocated to the cash-generating units (CGUs) that are expected to obtain the benefit.

Goodwill is considered to have indefinite useful life and CGUs are tested for impairment at least once a year or if there are any impairment indications.

The impairment test is based on thehigher of fair value less costs of disposal and value in use.

Impairment of goodwill is not reversed.When performing an impairment test, we assess whether the recoverable amount exceeds the net book value of a CGU.

In determining the recoverable amount, we calculate the value in use to test if the CGU will be able to generate positive net cash flows sufficient to support the net book values. The value-in-use calculations are based on expected future cash flows from financial forecasts and include a number of assumptions and estimates related to future market conditions.

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 capitalappreciation 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 supsuppliers 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.

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

Notes to the Financial Statements

25 Accounting Policies (continued)

arm's length transaction on thebalance sheet date. The determination of fair value involves material accounting estimates.

The estimates applied are based on historical 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.

The fair value has been determined at 31 December 2022 for each property by using a return-based model under which the expected future cash flows for the coming year combined with a rate of return form the basis of the fair value of the property. The calculations are based on property budgets for the coming years. The budget takes into account developments in rentals, vacancies, operating expenses, maintenance and administration, etc. The budgeted cash flow is divided by the estimated rate of return to arrive atthe fair value of the property.

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.

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 years
Leasehold improvements
5 years

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and 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 and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

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.

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.

Other investments

Other investments, which consist of unlisted investments and shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the equity method as the investments relates to investment properties and financial liabilities, which are measured to fair value using a returnbased model under which the expected future cash flows for the coming year combined with a rate of return form the basis of the fair value of the property.

Equity

Dividend

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

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

25 Accounting Policies (continued)

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

Financial Highlights

Explanation of financial ratios

Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$
Equity ratio after tax	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$
Equity ratio before tax	$\frac{\text{Profit/loss before tax x 100}}{\text{Average equity}}$

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