Dear Viga RE Investors

Please find below our Q1 2023 results and 31/03/2023 investor net asset value (NAV).



Results and NAV

The Q1 2023 realized net operating income (NOI) more than doubled compared to the same period last year. This is mainly attributed to an increase in revenue from a number of succesful acquisitions as well as active asset management. In particular, structural vacancy levels were reduced to meet underwriting expectations in the last two periods.

Earnings before value adjustments and taxes also increased compared to the same period last year although not proportional to the increase in NOI. High inflation and increasing interest rates over the last 12 months reduced earnings and implied a yield expansion across all sectors in the Danish market. Yield requirements in the Viga portfolio increased from 3.6% in Q4 2022 to 3.9% in Q1 2023 (stabilised yield of 4.1%), which was mainly driven by new acquisitions and NOI increase.

Despite adverse market conditions, Viga has managed to consistently improve the NAV. We see this as a testament to the robustness of the business model. In the coming periods we will continue to focus on optimising the portfolio value through active asset- and liability manangement. *No property value adjustments were applied as Q1 is an unofficial NAV period.*

Q1 2023 result	Q1 2023	Q1 2022	2022 vs 2023	YTD
Realized NOI	1,931	892	1,039	1,931
Management and admin.	-373	-265	-108	-373
Value adjustment	-38	-51	13	-38
EBIT	1,520	576	943	1,520
Interest and other financials	-1,172	-248	-924	-1,172
EBT	347	328	19	347
Actual tax, 22%	-1,803	-72	-1,731	-1,803
Deferred tax, provision	1,645	0	1,645	1,645
Result	**189**	**256**	**-67**	**189**

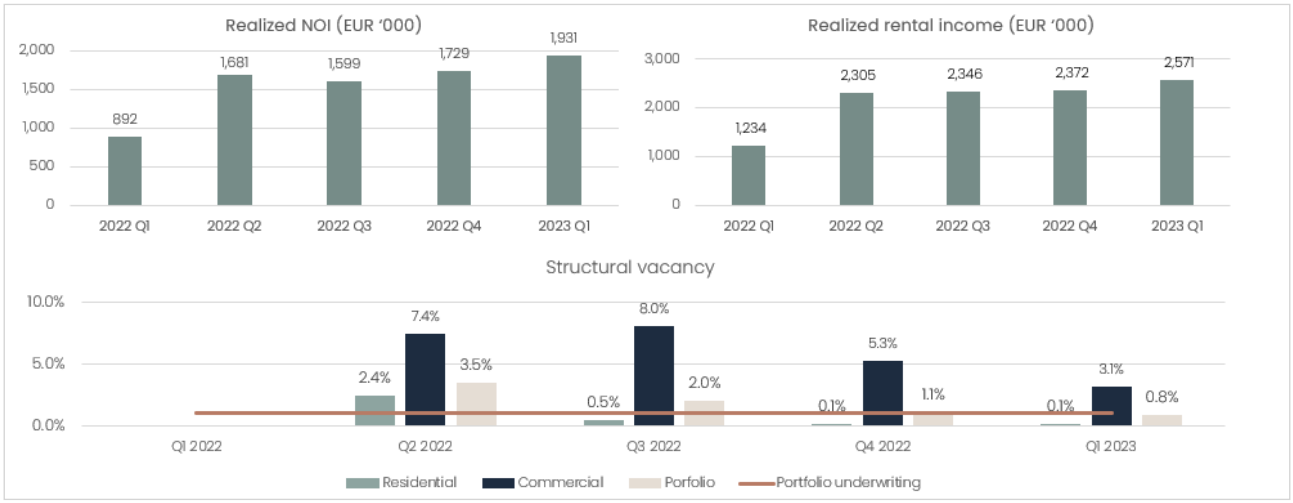
Q1 2023 capital structure and NAV			EUR 1'000
Property value			273,579
Loan, long term mortgage	LTV	*56%*	-153,462
Cash		*-3%*	8,354
Deferred tax and provisions		*5%*	-14,634
Deposits		*1%*	-3,946
Other current assets/liabilities		*1%*	-3,227
Equity & shareholder loan (NAV)*		***39%***	**106,664**
Commitment draw down			94,970
		NAV index	**126**
**Of which Equity / Shareholder loan*	*(EUR 1'000)*	*35,882*	*70,782*
**Price Shares / Bonds*	*(EUR)*	*0.68*	*13.43*

Mortgage loan structure	Mortgages book value	Actual interest range	Margin	Interest cover ratio	Mortgages market value	Normalized quarterly interest and margin	Normalized quarterly repayments	Repayment period
Loan, fixed 30 year	33,778	2,7% - 3.00%	0.70%		29,951	301	96	2021-2052
Loan, fixed 3 - 5 year	39,202	2,0% - 3.60%	0.78%		39,331	599	173	2021-2053
Loan, floating (CIBOR3)	81,459	3,3% - 5.10%	0% - 0,70%		81,567	879	84	2021-2054
Cost, loan amortization	-977							
Total	**153,462**	**3.13%**	**0.71%**	**1.4**	**150,849**	**1,779**	**353**	

Note: Mortgage loans are valued at par according to accounting principles. Property valuations are based on 31/12/2022 appraisals by Colliers according to the RICS Appraisal and Valuation Standards (any potential portfolio premium is not included).

Asset management highlights

- ✓ In March we finalised the acquisition of Roskildevej 33 A+B comprising 47 micro living units. The property was acquired fully let thereby contributing to a reduction in overall residential vacancy. In Q1 2023 structural vacancy on a portfolio level was 0.8% thereby performing better than underwriting expectations of 1.0%.
- ✓ In November we finalized the acquisition of Strynøgade 5 - a residential property with 103 micro living units (fully vacant at closing), which are currently being modernized and optimized. The modernization is proceeding according to plan and lease uptake are expected to be finalized in Q2 2023, whereafter the property will be fully operational.
- ✓ The market rent properties churned at a rate of 22% which is in line with underwriting expectations of 20%-33% (+30% comprise only micro-living). The cost regulated units churned at a rate of 27% thereby exceeding underwriting assumptions of 8%-20% which benefits Viga. In Q1 Viga increased rent levels by 5% on churned units, corresponding to a portfolio rental increase of 0.23%.
- ✓ In addition to the acquisition of Roskildevej, Gl. Jernbanevej 27-31 on Frederiksberg was acquired in April 2023 (3,480 sqm residential (70% of total rental income) and 3,495 sqm commercial). This will be included in the Q2 2023 NAV report.
- ✓ In January all residential market rental contracts was indexed by 4% corresponding to the temporary ceiling imposed by the Danish government in 2022 to accomodate increasing household energy consumption expenditure.
- ✓ We are currently working on a refurbishment of a regulated unit on Ålekistevej expected to be completed in Q2 2023.



✓ Investments will be included in reporting when they are finalised.

Note: In Q2 2022 Viga added 11 new properties to the portfolio, which significantly increased the NOI. In Q3 2022 NOI was reduced slightly due to negative contributions from increase in utility costs and one-off maintenance costs. In Q1 2023, Roskildevej was acquired fully let increasing NOI, rental income and reducing vacancy.

Market highlights

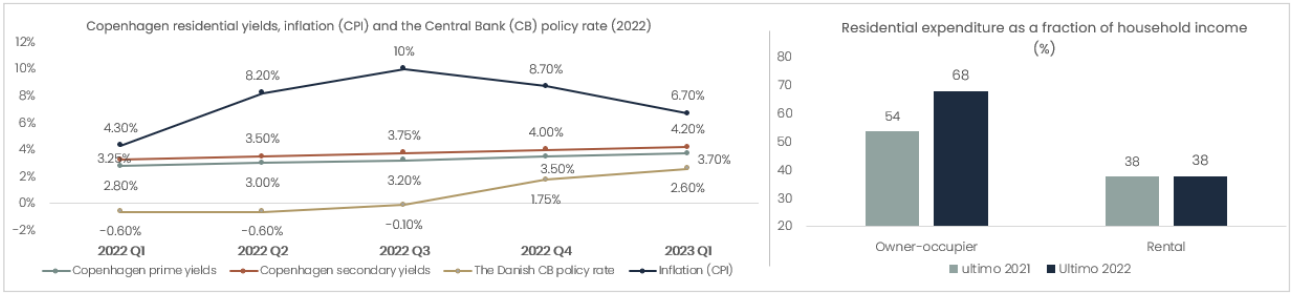
✓ In the first three months of 2023 Danish inflation continues to slow down to land at 6.70% in March 2023 (annualised).

✓ To accommodate the high inflation the Danish central bank has, from July 2022 until April 2023, implemented six interest rate hikes, raising it from -0.60% to 2.60%.

✓ Copenhagen residential prime yield went up 90 bps since Q1 2022 to land at 3.70% in Q1 2023.

✓ In 2022 the housing expenditure share of total household income in the owner occupier market in Copenhagen has risen from 54% to 68%. In the same period, the housing expenditure share of household income in the Copenhagen rental market has remained unchanged at 38%. This development increases the relative attractiveness of the rental market in Copenhagen, and at the same time new supply has slowed down significantly which is putting upwards pressure on rent levels.

✓ The transaction volume in the Danish real estate market dropped by 62% in Q1 2023 compared to the same quarter last year.



Strategy

The objective for Viga is to grow the portfolio within the course of the next twelve months to a portfolio value of over EUR 500 million and a long-term target of EUR 1 billion.

New commitments will allow Viga to follow the outlined growth strategy, further diversify its asset base, execute on the value creation plan and further enhance the portfolio value effect by obtaining a portfolio premium.

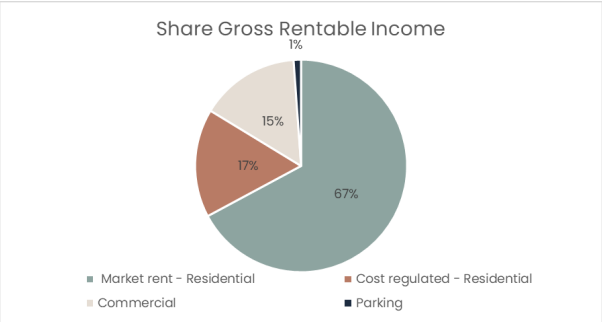


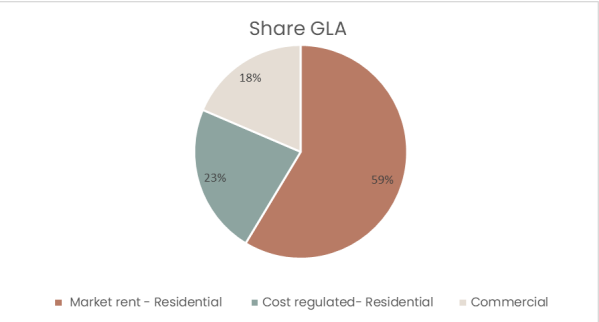
Property overview Asset	Residen-tial units	Commer-cial units	Parking / basement units	Sqm. Residen-tial	Sqm. Com-mercial	Rent/sqm. EUR	Net initial yield	Property value tEUR	Value share of portfolio	Value/sqm. EUR
Kildegårdsvej	6	0	0	1,195	0	286	3.5%	8,526	2.8%	7,135
Baunegårdsvej	7	0	0	838	0	325	3.2%	6,087	2.0%	7,263
Nørrebrogade	28	3	2	2,852	304	272	3.6%	21,028	6.9%	6,663
Amagerbrogade	8	4	4	1,050	461	227	3.5%	8,855	2.9%	5,860
Vigerslev Allé	9	5	3	827	543	166	3.5%	4,261	1.4%	3,110
Teglhuset København, Teglholmsgade	91	1	0	3,281	113	329	3.6%	26,174	8.5%	7,712
Rådhusvej	8	3	0	1,375	489	235	3.9%	10,352	3.4%	5,554
Strandlodsvej (svanen)	49	2	35	4,765	343	274	3.6%	31,186	10.2%	6,105
CPH Flats (17 single units)	16	0	0	1,613	0	231	4.1%	8,672	2.8%	5,376
H.C. Ørstedsvej	26	1	0	902	124	321	3.6%	8,184	2.7%	7,977
Linde Allé	20	2	10	2,080	333	204	3.7%	11,509	3.7%	4,770
Bispevej	23	0	2	3,005	0	247	3.6%	15,014	4.9%	4,996
Messinavej	12	1	0	1,171	680	201	4.0%	8,409	2.7%	4,543
Ålekistevej	27	6	0	1,784	803	152	3.3%	8,961	2.9%	3,464
Godthåbsvej, Sallingvej & Jernbane Alle	30	14	0	2,456	1,888	172	3.4%	16,279	5.3%	3,748
Rådhusstræde	7	7	0	805	484	238	3.0%	8,241	2.7%	6,393
Frederikssundsvej	14	3	11	1,166	493	171	3.7%	7,152	2.3%	4,311
Christiansborggade	15	10	29	2,612	1,449	238	3.1%	20,842	6.8%	5,132
CPH Micro Living, Roskildevej & Strynøgade	150	0	0	3,270	0	326	4.1%	43,836	14.3%	13,406
Gammel Jernbanevej (acquired in April 2023)	106	1	25	3,480	3,495	281	5.3%	33,409	10.9%	4,790
Total	**652**	**63**	**121**	**40,527**	**12,002**	**263**	**3.87%**	**306,977**	**100%**	**5,844**
Stabilized yield							***4.13%***			

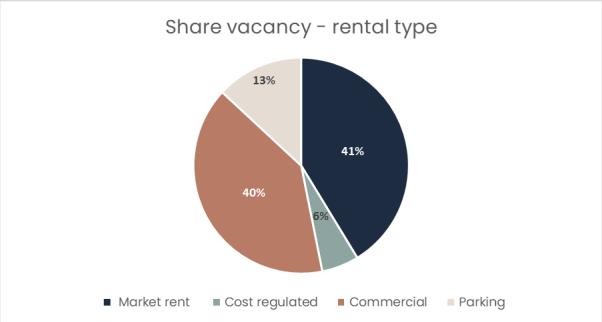
Indexation method	Portfolio	Market rent properties	Cost regulated properties
Increase in cost (cost regulated units not refurbished)	6%	0%	21%
100 % NPI (market rent units and refurbished units)	87%	93%	73%
NPI with min and/or max (commercial units)	6%	7%	5%
Other	1%	0%	2%
Total	100%	100%	100%

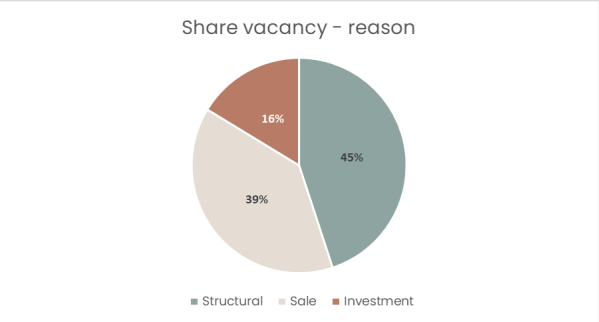


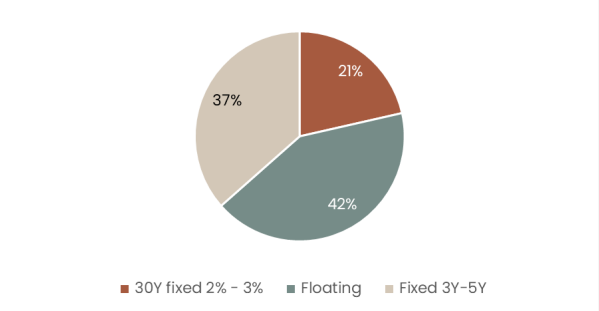
VIGA RE Q1 2023 – PORTFOLIO SNAPSHOT

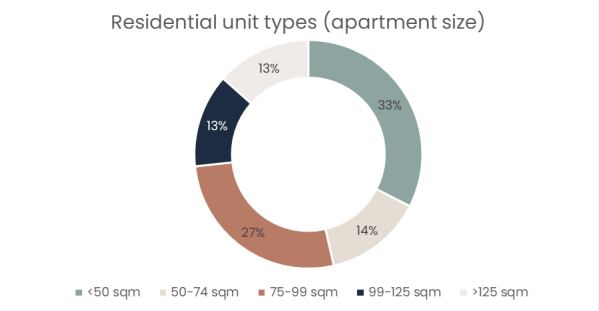


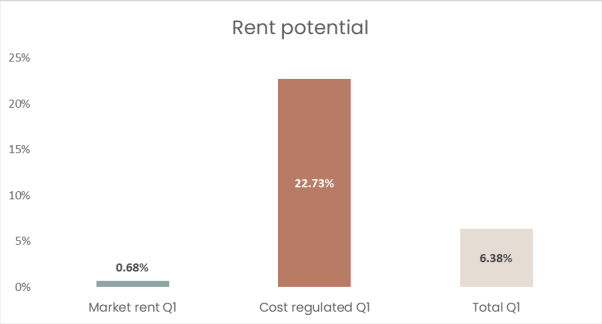


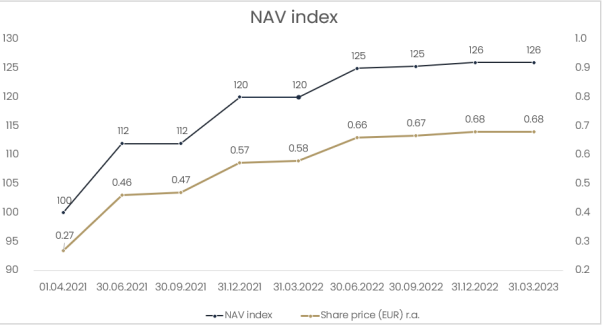












Definition: The NAV index measures the relationship between equity and invested capital. It is calculated by adding earnings to commitments over time and thereby reflects the quarterly value growth of the Viga portfolio. Due to the nominal discrepancy occurring between equity and shareholder bonds at capital increases, the NAV index is not an exact measure of the actual value growth.

Note: i) Committed but undrawn capital is included in the share price. The share price is denoted in EUR using the DKK/EUR close exchange rate at each reporting date ii) Bonds are denoted at a nominal price of DKK 100. Apply the DKK/EUR close exchange rate at reporting date to get the corresponding price in EUR. iii) A temporary construction loan of mEUR 5.5 related to the refurbishment of Strynøgade is included in the book value share of fixed 3Y-5Y loans.

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