




SREIT Vesterbro Bidco ApS

Gammel Køge Landevej 57, 3.
2500 Valby
CVR No. 42461334

Annual report 2022

The Annual General Meeting adopted the annual report on 29.12.2023

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Rasmus Juul-Nyholm
Chairman of the General Meeting

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Entity details

Entity

SREIT Vesterbro Bidco ApS

Gammel Køge Landevej 57, 3.

2500 Valby

Business Registration No.: 42461334

Registered office: København

Financial year: 01.01.2022 - 31.12.2022

Board of Directors

Rasmus Juul-Nyholm

Gauthier Robert A Lambeaux

Executive Board

Helle Bjerre

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of SREIT Vesterbro Bidco ApS for the financial year 01.01.2022 - 31.12.2022.

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


In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

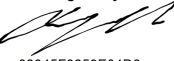
Copenhagen, 29.12.2023

Executive Board


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Helle Bjerre

Board of Directors

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Rasmus Juul-Nyholm

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Gauthier Robert A Lambeaux

Independent auditor's report

To the shareholder of SREIT Vesterbro Bidco ApS

Opinion

We have audited the financial statements of SREIT Vesterbro Bidco ApS for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 29.12.2023

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

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Flemming Larsen
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Flemming Larsen

State Authorised Public Accountant

Identification No (MNE) mne27790

Management commentary

Primary activities

The main activities of the Company comprise direct or indirect ownership and investment in real estate, property development, rental of real estate and all business that after management's estimate is related herewith.

Description of material changes in activities and finances

The gross loss for the year totals T.DKK 617 against T.DKK 147 last year. Income from ordinary activities after tax totals T.DKK 55.704 against T.DKK 25,984 last year.

The result of the year is impacted by a fair value adjustment on investment properties held in subsidiaries, which reflect on measurement of investments in subsidiaries. Increase in investments in subsidiaries amounts to T.DKK 46.984 against T.DKK 25.594.

Further the result of the year in these restated financial statements is impacted by fair value adjustment on financial asset, recognized in the balancesheet. Financial assets carrying amount per the balancesheet date amounts to T.DKK 24.033 with corresponding fair value adjustment of T.DKK 20.686.

The profit of the year is satisfactory

Uncertainty relating to recognition and measurement

The fair value of the investments in subsidiaries reflects calculated capital value of the investment properties held in subsidiaries. To that extent market interest rates change, an investor's interest rate requirements change or the conditions of the properties change, the value of the property held in subsidiaries may change accordingly, reflecting the measurement of investments in subsidiaries.

The ongoing military operation in Ukraine and the related sanctions targeted against the Russian Federation may impact on the company. This may result in assumptions and estimates requiring revisions which may lead to material adjustments to the carrying value of assets and liabilities within the next financial year. In particular the management expects the assumptions and estimates used determining to be affected. At this stage management is not able to reliably estimate the impact as events are unfolding day-by-day.

The longer-term impact may also affect trading volumes, cash flows, and profitability. Nevertheless, at the date of these financial statements the company continues to meet its obligations as they fall due and therefore continues to apply the going concern basis of operations.

Events after the balance sheet date

The company has sold the shares in its investment Propoco and realized a small loss. Except herefore no events have occurred after the balance sheet date to this date which influence the evaluation of the restated annual report, and which require adjustment of or disclosure in the management commentary or notes to the restated financial statements.

Income statement for 2022

	Notes	2022 DKK	2021 DKK
Gross profit/loss		(617,587)	(146,892)
Fair value adjustments of other investment assets		20,686,089	3,347,232
Operating profit/loss		20,068,502	3,200,340
Income from investments in group enterprises	2	46,983,845	25,593,008
Other financial income	3	236,353	0
Other financial expenses	4	(8,093,113)	(2,699,269)
Profit/loss before tax		59,195,587	26,094,079
Tax on profit/loss for the year	5	(3,491,380)	(110,227)
Profit/loss for the year		55,704,207	25,983,852
Proposed distribution of profit and loss			
Retained earnings		55,704,207	25,983,852
Proposed distribution of profit and loss		55,704,207	25,983,852

Balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Investments in group enterprises		264,055,135	218,075,942
Contract assets		24,033,321	3,347,232
Deferred tax		1,863,947	0
Financial assets	6	289,952,403	221,423,174
Fixed assets		289,952,403	221,423,174
Receivables from group enterprises		4,633,369	3,038,367
Other receivables		400	4,309,518
Income tax receivable		626,164	626,164
Prepayments		0	1,668,368
Receivables		5,259,933	9,642,417
Cash		4,895,891	51,695
Current assets		10,155,824	9,694,112
Assets		300,108,227	231,117,286

Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital		41,000	41,000
Retained earnings		121,985,559	66,281,352
Equity		122,026,559	66,322,352
Trade payables		301,292	134,466
Payables to group enterprises		171,746,799	163,924,077
Income tax payable		6,023,721	736,391
Other payables		9,856	0
Current liabilities other than provisions		178,081,668	164,794,934
Liabilities other than provisions		178,081,668	164,794,934
Equity and liabilities		300,108,227	231,117,286
Uncertainty relating to recognition and measurement	1		
Employees	7		
Contingent liabilities	8		
Group relations	9		

Statement of changes in equity for 2022

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	41,000	66,281,352	66,322,352
Profit/loss for the year	0	55,704,207	55,704,207
Equity end of year	41,000	121,985,559	122,026,559

Notes

1 Uncertainty relating to recognition and measurement

The fair value of the investments in subsidiaries reflects calculated capital value of the investment properties held in subsidiaries. To that extent market interest rates change, an investor's interest rate requirements change or the conditions of the properties change, the value of the property held in subsidiaries may change accordingly, reflecting the measurement of investments in subsidiaries.

The ongoing military operation in Ukraine and the related sanctions targeted against the Russian Federation may impact on the company. This may result in assumptions and estimates requiring revisions which may lead to material adjustments to the carrying value of assets and liabilities within the next financial year. In particular the management expects the assumptions and estimates used determining to be affected. At this stage management is not able to reliably estimate the impact as events are unfolding day-by-day.

The longer-term impact may also affect trading volumes, cash flows, and profitability. Nevertheless, at the date of these financial statements the company continues to meet its obligations as they fall due and therefore continues to apply the going concern basis of operations.

2 Income from investments in group enterprises

Income from investment in group companies comprises

	2022	2021
Share of profit for the year	DKK 45.979.195	112.272.144
Revaluations	DKK 1.004.650	(86.679.136)
Total	DKK 46.983.845	25.593.008

3 Other financial income

	2022	2021
	DKK	DKK
Financial income from group enterprises	236,353	0
	236,353	0

4 Other financial expenses

	2022	2021
	DKK	DKK
Financial expenses from group enterprises	25,000	1,633
Other financial expenses	8,068,113	2,697,636
	8,093,113	2,699,269

5 Tax on profit/loss for the year

	2022	2021
	DKK	DKK
Current tax	5,355,327	110,227
Change in deferred tax	(1,863,947)	0
	3,491,380	110,227

6 Financial assets

	Investments in group enterprises DKK	Contract assets DKK
Cost beginning of year	304,755,076	3,347,232
Disposals	(1,004,650)	0
Cost end of year	303,750,426	3,347,232
Revaluations beginning of year	(86,679,136)	0
Share of profit/loss for the year	45,979,195	0
Revaluations for the year	1,004,650	20,686,089
Revaluations end of year	(39,695,291)	20,686,089
Carrying amount end of year	264,055,135	24,033,321

Investments in subsidiaries	Registered in	Corporate form	Equity interest %	Equity DKK	Profit/loss DKK
SREIT Vesterbro PropCo ApS	Denmark	ApS	100.00	264,055,135	45,979,195

7 Employees

The Entity has no employees other than the Executive Board. The Executive Officer has not received any remuneration.

8 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Danish Logistics Bidco ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

9 Group relations

Parent company: SREIT Vesterbro Holding S.à.r.l., Luxembourg

Name and registered office of the Parent preparing consolidated financial statements for the largest group: Starwood Real Estate Income Trust Inc, 1601 Washington Avenue, Suite 800, Miami Beach, FL 33139.

Copies of the consolidated financial statements of Starwood may be ordered at the following address:
Starwood Real Estate Income Trust Inc, 1601 Washington Avenue, Suite 800, Miami Beach, FL 33139.

Pursuant to §112, no group accounts have been prepared since the accounts for the sub-group have been included on the full consolidation in the consolidated financial statements published by Starwood Real Estate Income Trust, the higher parent company in the United States.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Material errors in previous years

Previous years financial figures have been adjusted due to error pertaining to lack of recognition of financial asset. Affect on the financial figures are Dr. 3.347.232 DKK, in financial assets, and Cr. 3.347.232 DKK recognized as fair value adjustment for the year.

Taxable income is influenced hereby, why accrual pertaining to income taxes has been adjusted accordingly with 22%. Dr. 736.391 DKK recognized in taxes for the year, and accrual Cr. 736.391 recognized as liabilities.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value, which has been calculated as the discounted value of expected future net cash flows by using an approximate risk-free interest rate adjusted for any factors that a potential market participant would attribute value to when acquiring the instrument. Derivative financial instruments are recognised in other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in the reserve for fair value adjustments of hedging instruments in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

Income statement

Gross profit or loss

Gross profit or loss comprises external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Fair value adjustments of other investment assets

Fair value adjustments of other investment assets comprise adjustments for the financial year of the Entity's investment assets measured at fair value at the balance sheet date.

Own work capitalised

Own work capitalised comprises of staff costs and other costs incurred in the financial year and recognised in cost for proprietary intangible assets and property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises dividends etc. received from the individual group enterprises in the financial year.

Other financial income

Other financial income comprises dividends etc. received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet**Investments in group enterprises**

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to the reserve for net revaluation according to the equity method in equity.

The accounting policies applied to material financial statement items of group enterprises are:

Investment property: Investment properties are measured at fair value which is equivalent to the amount at which the individual property may be sold to an independent buyer at the balance sheet date. The financial year's adjustments of the properties' fair value are recognised in the income statement.

Contract assets

Contractual assets pertains to security contracts related to hedging activities. Recognition and measurement, see accounting treatment for derivatives.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their

estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.