

Proper ApS

Ewaldsgade 7

2200 København N

CVR no. 39 01 68 69

Annual report for 2020

Adopted at the annual general
meeting on 1 July 2021

Morten Krarup Kristensen
chairman

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Statement by management on the annual report

The supervisory and executive boards have today discussed and approved the annual report of Proper ApS for the financial year 1 January - 31 December 2020.

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

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020.

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

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

Copenhagen, 1 July 2021

Executive board

Morten Krarup Kristensen
CEO

Jacob Dyboe Funch
Director

Supervisory board

Steen Bøttzau Haunstrup
Chairman

Alexander Korre Viterbo-
Horten

Tommy Andersen

Ole Markussen

Jacob Dyboe Funch

Independent auditor's report

To the shareholder of Proper ApS

Opinion

We have audited the financial statements of Proper ApS for the financial year 1 January - 31 December 2020, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 the 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 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 company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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.

Independent auditor's report

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

Statement on management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that management's review 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 management's review.

Frederikshavn, 1 July 2021

PJ Revision
statsautoriseret revisionsanpartsselskab
CVR no. 33 86 10 44

Per Svenningsen
Statsautoriseret revisor
MNE no. mne8936

Management's review

Business review

The company's purpose is the development and sale of a software platform within Property Management.

Financial review

The company's income statement for the year ended 31 December 2020 shows a loss of DKK 1.316.715, and the balance sheet at 31 December 2020 shows equity of DKK 14.665.486.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Accounting policies

The annual report of Proper ApS for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2020 is presented in DKK

Basis of recognition and measurement

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

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

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

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

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

Income statement

Gross profit

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

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

Accounting policies

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Income from investments in subsidiaries, associates and participating interests

The proportionate share of the profit/loss for the year of subsidiaries is recognised in the company's income statement after full elimination of intra-group profits/losses.

Tax on profit/loss for the year

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

Balance sheet

Intangible assets

Development projects, patents and licences

Development costs comprise costs, wages/salaries and amortisation losses that are directly and indirectly attributable to the company's development activities.

Investments in subsidiaries, associates and participating interests

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

Accounting policies

Receivables

Receivables are measured at amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Equity

Reserve for development costs

An amount corresponding to capitalised development costs is recognised in the reserve. The reserve is reduced as development costs are amortised.

Income tax and deferred tax

As management company, Proper ApS is liable for payment of the subsidiaries' corporate income taxes to the tax authorities.

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

Liabilities

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

The compensated absence commitment which the company's employees earn during the transitional period from 1 September 2019 to 31 August 2020, is administered by the company and is paid in to the Danish Holiday Fund before the employee reaches the pensionable age. Other debt is measured at amortised cost, which usually corresponds to the nominal value.

Income statement 1 January - 31 December

	<u>Note</u>	<u>2020</u> DKK	<u>2019</u> DKK
Gross profit		-915.285	-480.134
Staff costs	1	<u>-791.934</u>	<u>-689.061</u>
Profit/loss before amortisation/depreciation and impairment losses		-1.707.219	-1.169.195
Profit/loss on ordinary activities before fair value adjustments		-1.707.219	-1.169.195
Profit/loss before net financials		-1.707.219	-1.169.195
Income from investments in subsidiaries		-292	-2.528
Financial income		71.864	0
Financial costs		<u>-49.227</u>	<u>-12.381</u>
Profit/loss before tax		-1.684.874	-1.184.104
Tax on profit/loss for the year	2	<u>368.159</u>	<u>259.670</u>
Profit/loss for the year		<u>-1.316.715</u>	<u>-924.434</u>
Transferred to other statutory reserves		7.004.736	2.613.578
Retained earnings		<u>-8.321.451</u>	<u>-3.538.012</u>
		<u>-1.316.715</u>	<u>-924.434</u>

Balance sheet 31 December

	<u>Note</u>	<u>2020</u> DKK	<u>2019</u> DKK
Assets			
Development projects in progress		<u>9.905.525</u>	<u>2.900.789</u>
Intangible assets	3	<u>9.905.525</u>	<u>2.900.789</u>
Investments in subsidiaries	4	<u>37.180</u>	<u>37.472</u>
Fixed asset investments		<u>37.180</u>	<u>37.472</u>
Total non-current assets		<u>9.942.705</u>	<u>2.938.261</u>
Trade receivables		0	1.055
Receivables from subsidiaries		2.304	2.304
Receivables from associates		60.000	0
Other receivables		415.619	102.427
Corporation tax		1.541.042	574.987
Prepayments		<u>18.714</u>	<u>5.886</u>
Receivables		<u>2.037.679</u>	<u>686.659</u>
Cash at bank and in hand		<u>21.293.072</u>	<u>1.591.332</u>
Total current assets		<u>23.330.751</u>	<u>2.277.991</u>
Total assets		<u><u>33.273.456</u></u>	<u><u>5.216.252</u></u>

Balance sheet 31 December

	<u>Note</u>	<u>2020</u> DKK	<u>2019</u> DKK
Equity and liabilities			
Share capital		68.056	53.524
Reserve for development expenditure		9.905.525	2.900.789
Retained earnings		<u>4.691.905</u>	<u>279.586</u>
Equity		<u>14.665.486</u>	<u>3.233.899</u>
Provision for deferred tax		<u>1.533.556</u>	<u>360.673</u>
Total provisions		<u>1.533.556</u>	<u>360.673</u>
Other credit institutions		12.935.000	0
Convertible and profit-yielding instruments of debt		<u>1.825.670</u>	<u>0</u>
Total non-current liabilities		<u>14.760.670</u>	<u>0</u>
Trade payables		241.545	297.493
Payables to shareholders and management		189	189
Other payables		2.072.010	1.317.560
Deposits		<u>0</u>	<u>6.438</u>
Total current liabilities		<u>2.313.744</u>	<u>1.621.680</u>
Total liabilities		<u>17.074.414</u>	<u>1.621.680</u>
Total equity and liabilities		<u>33.273.456</u>	<u>5.216.252</u>

Statement of changes in equity

	<u>Share capital</u>	<u>Share premium account</u>	<u>Reserve for development expenditure</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2020	53.524	0	2.900.789	279.586	3.233.899
Cash capital increase	14.532	12.733.770	0	0	12.748.302
Revaluation for the year	0	0	7.004.736	0	7.004.736
Net profit/loss for the year	0	0	0	-8.321.451	-8.321.451
Transfer from share premium account	0	-12.733.770	0	12.733.770	0
Equity at 31 December 2020	<u>68.056</u>	<u>0</u>	<u>9.905.525</u>	<u>4.691.905</u>	<u>14.665.486</u>

Notes

	<u>2020</u> DKK	<u>2019</u> DKK
1 Staff costs		
Wages and salaries	6.300.630	2.204.162
Pensions	29.076	0
Other social security costs	59.665	29.429
Other staff costs	96.512	100.004
	<u>6.485.883</u>	<u>2.333.595</u>
Transfer to production wages	-5.693.949	-1.644.534
	<u>791.934</u>	<u>689.061</u>
Average number of employees	<u>17</u>	<u>8</u>
2 Tax on profit/loss for the year		
Current tax for the year	<u>-368.159</u>	<u>-259.670</u>
	<u>-368.159</u>	<u>-259.670</u>

Notes

3 Intangible assets

	<u>Development projects in progress</u>
Cost at 1 January 2020	2.900.789
Additions for the year	<u>7.004.736</u>
Cost at 31 December 2020	<u>9.905.525</u>
at 31 December 2020	<u>0</u>
AA Impairment losses and amortisation at 1 January 2020	<u>0</u>
AA Impairment losses and amortisation at 31 December 2020	<u>0</u>
Carrying amount at 31 December 2020	<u><u>9.905.525</u></u>

4 Investments in subsidiaries

Cost at 1 January 2020	37.472	0
Additions for the year	<u>0</u>	<u>40.000</u>
Cost at 31 December 2020	<u>37.472</u>	<u>40.000</u>
Revaluations at 1 January 2020	0	0
Depreciation of goodwill	<u>-292</u>	<u>-2.528</u>
Revaluations at 31 December 2020	<u>-292</u>	<u>-2.528</u>
Carrying amount at 31 December 2020	<u><u>37.180</u></u>	<u><u>37.472</u></u>