

RedFin Contracting Solutions ApS

**Sønderbrogade 16
8700 Horsens**

Central Business Registration No. 41 47 88 10

Annual Report for 2022

The Annual Report was presented and
approved at the Annual General Meeting
of the Company on 30/06 2023

Marc Gómez Cruz
Chairman



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Company details

The company

RedFin Contracting Solutions ApS

Sønderbrogade 16
8700 Horsens

CVR no.: 41 47 88 10

Reporting period: 1 January - 31 December 2022

Incorporated: 1 July 2020

Domicile: Horsens

Executive board

Marc Gómez Cruz
Alexander David Thomas

Auditors

Roesgaard
Godkendt Revisionspartnerselskab
Sønderbrogade 16
8700 Horsens

Statement by management on the annual report

The executive board has today discussed and approved the annual report of RedFin Contracting Solutions ApS for the financial year 1 January - 31 December 2022.

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 2022 and of the results of the company's operations for the financial year 1 January - 31 December 2022.

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

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

Horsens, 30 June 2023

Executive board

Marc Gómez Cruz
Director

Alexander David Thomas
Director

Independent auditor's report on extended review

To the shareholder of RedFin Contracting Solutions ApS

Report on extended review of the Financial Statements

Opinion

We have performed extended review of the financial statements of RedFin Contracting Solutions ApS for the financial year 1 January - 31 December 2022, 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.

Based on the performed work it is our opinion, that the financial statements give a true and fair view of the company's financial position at 31 December 2022 and of the results of the company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our extended review in accordance with the Danish Business Authority's standard on auditor's report for small enterprises and FSR - danish auditors' standard on extended review of financial statements in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review 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 and IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

Without affecting our conclusion, we must draw attention to note 1, which states that the company is a subcontractor on a project where the main contractor has gone bankrupt after the balance sheet date. All trade receivables at the balance sheet date have been received.

Negotiations are under way with the client to take over the main contractor's obligations towards the company.

It is expected that the outcome of the negotiations will provide sufficient liquidity to support the company's continued operations, which is why the accounts are prepared with continued operations in mind.

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 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 on extended review

Auditor's responsibility for the extended review of the financial statements

Our responsibility is to express a conclusion on the accompanying financial statements. This requires us to perform procedures in order to obtain limited assurance for our conclusion on these financial statements, and in addition perform specifically required supplementary procedures in order to obtain additional assurance for our conclusion.

An extended review of financial statements includes procedures primarily consisting of making inquiries of management and others within the entity, as appropriate, applying analytical procedures and the specifically required supplementary procedures, and evaluating the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit and accordingly we do not express an audit opinion on these financial statements.

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 extended review 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 extended review, 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.

Independent auditor's report on extended review

Report on other legal and regulatory requirements

Violation of the provisions regarding reporting of salary tax and labour market contributions

Without affecting our conclusion, we must draw attention to the fact that the company has in several cases reported salaries too late, whereby the management may incur liability.

Horsens, 30 June 2023

Roesgaard

Godkendt Revisionspartnerselskab
CVR no. 37 54 31 28

Michael Mortensen
State Authorized Public Accountant
MNE no. mne34108

Management's review

Business review

The purpose of the company is to run consulting business as well as other related business.

Financial review

The company's income statement for the year ended 31 December 2022 shows a loss of DKK 1,292,126, and the balance sheet at 31 December 2022 shows equity of DKK 1,336,985.

Significant events occurring after the end of the financial year

As mentioned in note 1, a major client has gone bankrupt after the balance sheet date. It does not affect the company's financial position as of 31 December 2022, as all trade receivables have been received.

For more information, see note 1.

Accounting policies

The annual report of RedFin Contracting Solutions ApS for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class B entities, 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 2022 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 less costs of raw materials and consumables and other external expenses.

Revenue

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Accounting policies

Raw materials and consumables

Costs of raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

Other external expenses

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

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.

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.

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

Receivables

Receivables are measured at amortised cost.

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

Contract work in progress

Contract work in progress is measured at the selling price of the work performed.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Accounting policies

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

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

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.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Liabilities

Other liabilities, which include trade payables and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Income statement 1 January 2022 - 31 December 2022

	<u>Note</u>	<u>2022</u> DKK	<u>2020/21</u> <u>(18 months)</u> DKK
Gross profit		34,768,142	32,845,634
Staff costs	2	<u>(35,824,730)</u>	<u>(29,525,771)</u>
Profit/loss before net financials		(1,056,588)	3,319,863
Financial income	3	0	22,699
Financial costs	4	<u>(235,538)</u>	<u>(21,291)</u>
Profit/loss before tax		(1,292,126)	3,321,271
Tax on profit/loss for the year	5	<u>0</u>	<u>(732,160)</u>
Profit/loss for the year		<u>(1,292,126)</u>	<u>2,589,111</u>
Recommended appropriation of profit/loss			
Retained earnings		<u>(1,292,126)</u>	<u>2,589,111</u>
		<u>(1,292,126)</u>	<u>2,589,111</u>

Balance sheet at 31 December 2022

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> DKK
Assets			
Trade receivables		7,523,338	11,047,550
Contract work in progress		5,594,190	0
Receivables from group enterprises		7,401,440	0
Receivables		<u>20,518,968</u>	<u>11,047,550</u>
Cash at bank and in hand		<u>2,500,242</u>	<u>6,152,627</u>
Total current assets		<u>23,019,210</u>	<u>17,200,177</u>
Total assets		<u>23,019,210</u>	<u>17,200,177</u>

Balance sheet at 31 December 2022

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> DKK
Equity and liabilities			
Share capital		40,000	40,000
Retained earnings		1,296,985	2,589,111
Equity		<u>1,336,985</u>	<u>2,629,111</u>
Trade payables		10,124,069	4,166,931
Corporation tax		0	732,160
Other payables		9,283,031	9,671,975
Prepayments		2,275,125	0
Total current liabilities		<u>21,682,225</u>	<u>14,571,066</u>
Total liabilities		<u>21,682,225</u>	<u>14,571,066</u>
Total equity and liabilities		<u>23,019,210</u>	<u>17,200,177</u>

Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2022	40,000	2,589,111	2,629,111
Net profit/loss for the year	0	(1,292,126)	(1,292,126)
Equity at 31 December 2022	40,000	1,296,985	1,336,985

Notes to the annual report

1 Uncertainty about the continued operation (going concern)

The company is a subcontractor on a project where the main contractor has gone bankrupt after the balance sheet date.

All trade receivables at the balance sheet date have been received.

Negotiations are under way with the client to take over the main contractor's obligations towards the company.

It is expected that the outcome of the negotiations will provide sufficient liquidity to support the company's continued operations, which is why the Statutory Financial Statements are prepared based on the going concern assumption.

	<u>2022</u> DKK	<u>2020/21</u> (18 months) DKK
2 Staff costs		
Wages and salaries	29,548,384	24,240,956
Pensions	2,313,676	1,957,938
Other social security costs	<u>3,962,670</u>	<u>3,326,877</u>
	<u>35,824,730</u>	<u>29,525,771</u>
Average number of employees	<u>60</u>	<u>27</u>
3 Financial income		
Other financial income	0	189
Exchange gains	<u>0</u>	<u>22,510</u>
	<u>0</u>	<u>22,699</u>

Notes to the annual report

	<u>2022</u> DKK	<u>2020/21</u> (18 months) DKK
4 Financial costs		
Other financial costs	234,109	21,291
Exchange loss	<u>1,429</u>	<u>0</u>
	<u>235,538</u>	<u>21,291</u>
5 Tax on profit/loss for the year		
Current tax for the year	<u>0</u>	<u>732,160</u>
	<u>0</u>	<u>732,160</u>