

CapRate Nordics ApS

**Færgevej 22
5960 Marstal**

CVR no. 41 83 09 21

Annual report for 2022

Adopted at the annual general
meeting on 17 August 2023

Peter Schunk
chairman

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Company details

The company

CapRate Nordics ApS
Færgevej 22
5960 Marstal

CVR no.: 41 83 09 21

Reporting period: 1 January - 31 December 2022

Domicile: Ærø

Executive board

Peter Schunk, CEO
Henrik Smith Hjortkær Wagtberg, director
Thomas Demmel, director

Auditors

Lægård Revision
Statsautoriseret revisor
Østbanegade 123
2100 København Ø.

Statement by management on the annual report

The executive board has today discussed and approved the annual report of CapRate Nordics 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 to the company in general meeting that the financial statements for 2023 are not to be audited. Management considers the criteria for not auditing the financial statements to be met.

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

Marstal, 17 August 2023

Executive board

Peter Schunk
CEO

Henrik Smith Hjortkær Wagtberg
director

Thomas Demmel
director

The company in general meeting has resolved that the financial statements for the coming financial year are not to be audited.

Independent auditor's report on extended review

To the shareholder of CapRate Nordics ApS

Opinion

We have performed extended review of the financial statements of CapRate Nordics 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.

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.

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.

Independent auditor's report on extended review

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.

Copenhagen, 17 August 2023

Lægård Revision
Statsautoriseret revisor
CVR no. 18 43 70 82

Jens Vadekær
Statsautoriseret revisor
MNE no. mne33249

Management's review

Business review

The company's purpose is construction and project management services. The company may conduct any business that serves this purpose, directly or indirectly. The company may acquire, establish, and participate in branches of similar companies, as well as related businesses.

Accounting policies

The annual report of CapRate Nordics ApS for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

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, 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.

Raw materials and consumables

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

Accounting policies

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.

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.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Equity

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

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.

Accounting policies

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

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

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement 1 January - 31 December

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> DKK
Gross profit		-1.003.306	-941.571
Staff costs	1	<u>-1.504.643</u>	<u>-1.148.836</u>
Profit/loss before net financials		-2.507.949	-2.090.407
Financial costs		<u>-3.601</u>	<u>-799</u>
Profit/loss for the year		<u>-2.511.550</u>	<u>-2.091.206</u>
 Distribution of profit			
Retained earnings		<u>-2.511.550</u>	<u>-2.091.206</u>
		<u>-2.511.550</u>	<u>-2.091.206</u>

Balance sheet 31 December

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> DKK
Assets			
Trade receivables		7.000	13.500
Other receivables		344.139	111.466
VAT and duties receivables		95.188	101.253
Prepayments		<u>0</u>	<u>64.924</u>
Receivables		<u>446.327</u>	<u>291.143</u>
Cash at bank and in hand		<u>6.909</u>	<u>3.477</u>
Total current assets		<u>453.236</u>	<u>294.620</u>
Total assets		<u><u>453.236</u></u>	<u><u>294.620</u></u>

Balance sheet 31 December

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> DKK
Equity and liabilities			
Share capital		40.000	40.000
Retained earnings		<u>-4.602.756</u>	<u>-2.091.206</u>
Equity		<u>-4.562.756</u>	<u>-2.051.206</u>
Trade payables		33.750	32.595
Payables to subsidiaries		4.506.984	2.039.357
Other payables		<u>475.258</u>	<u>273.874</u>
Total current liabilities		<u>5.015.992</u>	<u>2.345.826</u>
Total liabilities		<u>5.015.992</u>	<u>2.345.826</u>
Total equity and liabilities		<u>453.236</u>	<u>294.620</u>
Uncertainty about the continued operation (going concern)	2		
Rent and lease liabilities	3		

Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2022	40.000	-2.091.206	-2.051.206
Net profit/loss for the year	0	-2.511.550	-2.511.550
Equity at 31 December 2022	<u>40.000</u>	<u>-4.602.756</u>	<u>-4.562.756</u>

Notes

	<u>2022</u>	<u>2021</u>
	DKK	DKK
1 Staff costs		
Wages and salaries	1.495.443	1.139.490
Other social security costs	9.200	7.856
Other staff costs	<u>0</u>	<u>1.490</u>
	<u>1.504.643</u>	<u>1.148.836</u>
Average number of employees	<u>2</u>	<u>1</u>

2 Uncertainty about the continued operation (going concern)

The company's continued operation is conditioned by a positive result in the operating activities and that the company will have access to the necessary financing. There is no indication that the necessary funding is not available. The annual report is therefore made according to the going concern principle. It is expected that the company's current funding will be sufficient to continue the company's operations in the next financial year.

	<u>2022</u>	<u>2021</u>
	DKK	DKK
3 Rent and lease liabilities		
Rent and lease liabilities		
Operating lease liabilities.		
Total future lease payments:		
Within 1 year	<u>42.966</u>	<u>50.685</u>
	<u>42.966</u>	<u>50.685</u>