

Søllerødgade 15-19 K/S

c/o Taurus Ejendomsadministration
Skovvejen 11, st., 8000 Aarhus C

CVR no. 41 83 39 12

Annual report 2020/21

(As of the establishment of the Company 10 November 2020 - 31 December 2021)

Approved at the Company's meeting of the Board of Directors on 21 March 2022

Chair of the meeting:

.....
Peter Gill

Contents

Statement by the Board of Directors	2
Independent auditor's report	3
Management's review	5
Financial statements for the period 10 November 2020 - 31 December 2021	7
Income statement	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10

Statement by the Board of Directors

Today, the Board of Directors has discussed and approved the annual report of Søllerødgade 15-19 K/S for the financial year as of the establishment of the Company 10 November 2020 - 31 December 2021.

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 financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year as of the establishment of the Company 10 November 2020 - 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Aarhus, 21 March 2022

Board of Directors:

.....
Peter Gill
Chair

.....
Sampsa Aulis Aleks
Apajalahti

.....
Juha Matti Salokoski

.....
Hasse Lyngsie wulff

Independent auditor's report

To the limited partners of Søllerødgade 15-19 K/S

Opinion

We have audited the financial statements of Søllerødgade 15-19 K/S for the financial year as of the establishment of the Company 10 November 2020 - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including 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 financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year as of the establishment of the company 10 November 2020 - 31 December 2021 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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 responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 the 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.

Independent auditor's report

- ▶ 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 note disclosures, 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's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 21 March 2022
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Kaare K. Lendorf
State Authorised Public Accountant
mne33819

Henrik Reedtz
State Authorised Public Accountant
mne24830

Management's review

Company details

Name	Søllerødgade 15-19 K/S
Address, Postal code, City	c/o Taurus Ejendomsadministration Skovvejen 11, st., 8000 Aarhus C
CVR no.	41 83 39 12
Established	10 November 2020
Registered office	Aarhus
Financial year	10 November 2020 - 31 December 2021
Board of Directors	Peter Gill, Chair Sampsa Aulis Aleksii Apajalahti Juha Matti Salokoski Hasse Lyngsie wulff
General Partner	Søllerødgade 15-19 GP ApS
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Business review

The purpose of the company is to acquire and operate real estate. The company may provide guarantees, raise loans, grant loans or otherwise directly or indirectly assist with the financing of the group. The Company may, at its own expense or on behalf of a third party, carry on any business useful or necessary to fulfill its purposes or purposes which are directly or indirectly related to its own or a third party's purpose

Recognition and measurement uncertainties

As the company is engaged in development of investment, the Company is affected by changes in the property market, including the general level of interest rates and economic conditions. For a description of significant assumptions for the fair value recognition as 31 December 2021 and a sensitivity analysis of the uncertainties in the calculation of fair value, please refer to note 4 and 5.

Financial review

The income statement for 2020/21 shows a profit of DKK 22,632,866, and the balance sheet at 31 December 2021 shows equity of DKK 44,726,669.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements for the period 10 November 2020 - 31 December 2021

Income statement

Note	DKK	2020/21 14 months
	Gross profit	3,751,846
	Fair value adjustment of investment property	20,775,080
	Profit before net financials	24,526,926
2	Financial expenses	-1,894,060
	Profit for the year	22,632,866
	Recommended appropriation of profit	
	Retained earnings	22,632,866
		22,632,866

Financial statements for the period 10 November 2020 - 31 December 2021

Balance sheet

Note	DKK	<u>2020/21</u>
	ASSETS	
	Fixed assets	
3	Property, plant and equipment	
4	Investment property	132,000,000
		<u>132,000,000</u>
	Total fixed assets	<u>132,000,000</u>
	Non-fixed assets	
	Receivables	
	Trade receivables	48,890
	Prepayments	53,537
		<u>102,427</u>
	Cash	<u>4,867,770</u>
	Total non-fixed assets	<u>4,970,197</u>
	TOTAL ASSETS	<u><u>136,970,197</u></u>
	EQUITY AND LIABILITIES	
	Equity	
	Share capital	22,093,803
	Retained earnings	22,632,866
	Total equity	<u>44,726,669</u>
	Liabilities other than provisions	
5	Non-current liabilities other than provisions	
	Mortgage debt	65,809,762
	Payables to group entities	22,375,212
	Deposits	2,370,149
		<u>90,555,123</u>
	Current liabilities other than provisions	
5	Short-term part of long-term liabilities other than provisions	1,367,374
	Trade payables	313,470
	Other payables	7,561
		<u>1,688,405</u>
		<u>92,243,528</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>136,970,197</u></u>

- 1 Accounting policies
- 6 Contractual obligations and contingencies, etc.
- 7 Collateral
- 8 Related parties

Financial statements for the period 10 November 2020 - 31 December 2021

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Cash payments concerning formation of enterprise	100	0	100
Capital increase	22,093,703	0	22,093,703
Transfer through appropriation of profit	0	22,632,866	22,632,866
Equity at 31 December 2021	22,093,803	22,632,866	44,726,669

Financial statements for the period 10 November 2020 - 31 December 2021

Notes to the financial statements

1 Accounting policies

The annual report of Søllerødgade 15-19 K/S for 2020/21 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Basis of recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement.

Assets are recognized 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 reliably measured.

Liabilities are recognized in the balance sheet when it is probable that future economic benefits will be deducted company and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each accounting item below.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate 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 most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Rental income is recognised on a straight line-basis over the term of the lease.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Gross profit

The items revenue, other operating income, expenses, property and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Expenses, property

Property expenses include expenses relating to renting out the Company's investment property, including expenses relating to running and maintaining such property.

Financial statements for the period 10 November 2020 - 31 December 2021

Notes to the financial statements

1 Accounting policies (continued)

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Financial expenses

Financial expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Balance sheet

Investment property

On initial recognition, investment property is measured at cost. Investment property is subsequently measured at fair value, and the value adjustment for the year is recognised in the income statement under the item "Fair value adjustment of investment property". The fair value is based on the expected future cash flows for the investment property.

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

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 has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Income taxes

The Limited Partnership is not subject to taxation.

Financial statements for the period 10 November 2020 - 31 December 2021

Notes to the financial statements

1 Accounting policies (continued)

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

DKK	2020/21 14 months
2 Financial expenses	
Interest expenses, group entities	1,367,374
Other financial expenses	526,686
	<u>1,894,060</u>
3 Property, plant and equipment	
DKK	Investment property
Additions	111,224,920
Cost at 31 December 2021	111,224,920
Revaluations at 10 November 2020	0
Value adjustments for the year	20,775,080
Revaluations at 31 December 2021	20,775,080
Carrying amount at 31 December 2021	<u><u>132,000,000</u></u>

4 Investment property

Fair value estimation

Assumptions underlying the determination of fair value of investment properties

The fair value is an estimate made by management based on information available and actual expectations as to the future.

The valuation is performed based on a report from an appraiser.

A weighted rate of return of 5.25 % and a exit yield of 3.25 % has been applied in the market value assessment at 31 December 2021.

The company's investment property is 100% commercial.

The investment property is located in the area of Copenhagen.

The property is valued at fair value based on DCF model, which is based on forecasts for future cash flows that the individual property is expected to generate, expected CAPEX investments and development in vacancy.

Financial statements for the period 10 November 2020 - 31 December 2021

Notes to the financial statements

- ▶ The fair value of investment properties amounts to 132,000,000 DKK
- ▶ Budget period: 11 years
- ▶ Commercial rent per sqm: 1,996 DKK
- ▶ Net Yield for commercial unit: 3.25 %
- ▶ Operating expenses per sqm: 363 DKK

Sensitivity analysis

Changes in estimated required rate of return for investment properties will affect the value of investment properties recognized in the balance sheet as well as value adjustments carried in the income statement.

An increase in the rate of return by 0.5 percentage points will imply a decrease in the fair value of DKK 11,478,000. A decrease in the rate of return by 0.5 percentage points will imply an increase in the fair value of DKK 13,895,000.

5 Non-current liabilities other than provisions

DKK	Total debt at 31/12 2021	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Mortgage debt	65,809,762	0	65,809,762	65,809,762
Payables to group entities	23,742,586	1,367,374	22,375,212	22,375,212
Deposits	2,370,149	0	2,370,149	2,370,149
	<u>91,922,497</u>	<u>1,367,374</u>	<u>90,555,123</u>	<u>90,555,123</u>

6 Contractual obligations and contingencies, etc.

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed income of the Group. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

7 Collateral

Land and buildings at a carrying amount of DKK 132,000,000 at 31 December 2021 have been put up as security for debt to mortgage credit institutions, totalling DKK 66,000,000.

8 Related parties

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Erikoissijoitusrahasto CapMan Nordic Property Income Fund	Finland	PL 210, FI - 40101 Jyväskylä, Finland

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"By my signature I confirm all dates and content in this document."

Hasse Lyngsie Wulff

Client Signer

On behalf of: CapMan Income Fund

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Peter Gill

Client Signer

On behalf of: CapMan Income Fund

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Salokoski Juha Matti

Client Signer

On behalf of: CapMan Income Fund

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SAMPSA APAJALAHTI

Client Signer

On behalf of: CapMan Income Fund

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IP: 88.112.xxx.xxx

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Henrik Reedtz

EY Signer

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: CVR:30700228-RID:67854501

IP: 145.62.xxx.xxx

2022-03-28 10:17:44 UTC

NEM ID 

Kaare Kristensen

EY Signer

On behalf of: EY Godkendt Revisionspartnerselskab

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