

Sanders Group ApS

Vedbæk Strandvej 328
2950 Vedbæk

CVR no. 43 10 60 66

Annual report for 2022

(1st Financial year)

Adopted at the annual general meeting
on 27. juli 2023

Bo Hannemann Sander
chairman

Table of contents

	Page
Statements	
Statement by management on the annual report	1
Independent auditor's report	2
Management's review	
Company details	5
Management's review	6
Financial statements	
Accounting policies	7
Income Statement	10
Balance Sheet	11
Statement of changes in equity	13
Notes	14

Statement by management on the annual report

The executive board has today discussed and approved the annual report of Sanders Group ApS for the financial year 7 March - 31 December 2022.

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

In my 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 7 March - 31 December 2022.

In my 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.

Vedbæk, 19 July 2023

Executive board

Bo Hannemann Sander
Director

Independent auditor's report

To the shareholder of Sanders Group ApS

Opinion

We have audited the financial statements of Sanders Group ApS for the financial year 7 March - 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.

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 7 March - 31 December 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 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 and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

The Company needs additional capital to be able to continue the operation and expansion. The management has proposed a capital increase of eur 2 mill at the ordinary shareholders meeting. The going concern is dependent on a succes of this capital increase. Management are confident that the capital increase will be contributed. We raise a material uncertainty on whether the capital increase will be succesfull. We have not qualified our opinion in relation to this issue. Further please see note 6.

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.

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.

Independent auditor's report

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.

Hellerup, 19. juli 2023

CVR no. 33 25 68 76



Søren Jonassen
Statsautoriseret revisor
MNE no. mne18488

Company details

The company

Sanders Group ApS
Vedbæk Strandvej 328
2950 Vedbæk

CVR no.: 43 10 60 66

Reporting period: 7 March - 31 December 2022

Incorporated: 7 March 2022

Domicile: Gentofte

Executive board

Bo Hannemann Sander, director

Auditors

Crowe
Statsautoriseret Revisionsinteressentskab v.m.b.a.
Rygårds Allé 104
2900 Hellerup

Management's review

Business review

The purpose of the Company is to be a holding Company for the Sanders Group.

Financial review

The company's income statement for the year ended 31 December 2022 shows a loss of eur 5.172, and the balance sheet at 31 December 2022 shows equity of eur 959.826.

The Sanders Group has grown quickly since it was established in March 2022, now with operations in Denmark, Cyprus, Greece, Spain and Portugal. The growth was funded by pre-IPO investor commitments of EUR 12m. Due to sudden changes in market conditions in spring 2022, only EUR 1m of this funding came through which put the company under financial pressure. The company has still managed to execute its business plan and the executive management, family and friends have invested a further EUR 4.8m in the business.

As of July 2023, the group has more than 750 units under contract. 587 of these are operating with the final contracts coming into operation during the second half of 2023. This is the basis of an extremely strong business. From a cashflow perspective there is a ramp up period on new properties. The first 3-6 months of operations are cashflow negative or cashflow neutral at best. After that the income generated on properties continues to build until the end of the third year when the properties reach full income generating potential. From 1 May 2024 the business will be permanently cash flow positive.

We are raising additional equity now to fund this ramp up. Minimum equity of EUR 2m is required to fund operations. Management are confident that this will be raised as part of a EUR 5m Friends & Family Equity round on offer.

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 Sanders Group ApS for 2022 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 annual report for 2022 is presented in eur

As 2022 is the company's first reporting period, no comparatives have been presented.

Pursuant to sections §110 subsection 1, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

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

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

Investments in subsidiaries, associates and participating interests

Investment in subsidiaries, associates and participating interests are measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value.

Receivables

Receivables are measured at amortised cost.

Prepayments

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

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

The company and all its Danish group entities are taxed on a joint basis. The current income tax charge is allocated between the jointly taxed entities relative to their taxable income. Tax losses are allocated based on the full absorption method. The jointly taxed entities are eligible for the Danish Tax Prepayment Scheme.

Joint taxation contributions payable and receivable are recognised in the balance sheet as 'Joint taxation contributions receivable' or 'Joint taxation contributions payable'.

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

Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the net proceeds and the nominal value is recognised in the income statement over the term of the loan.

Financial liabilities also include the capitalised residual finance lease commitment.

Other 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'.

Income statement
7 March 2022 - 31 December 2022

	<u>Note</u>	<u>2022</u> eur
Revenue		0
Other external costs		<u>-2.147</u>
Gross profit		-2.147
Financial costs	3	<u>-3.025</u>
Profit/loss for the year		<u><u>-5.172</u></u>
 Recommended appropriation of profit/loss		
Retained earnings		<u>-5.172</u>
		<u><u>-5.172</u></u>

Balance sheet at 31 December 2022

	<u>Note</u>	<u>2022</u>	<u>2021</u>
		eur	Teur
Assets			
Investments in subsidiaries		560.505	0
Fixed asset investments		<u>560.505</u>	<u>0</u>
Total non-current assets		<u>560.505</u>	<u>0</u>
Receivables from subsidiaries		8.137.050	0
Prepayments		251	0
Receivables		<u>8.137.301</u>	<u>0</u>
Cash at bank and in hand		<u>55.277</u>	<u>0</u>
Total current assets		<u>8.192.578</u>	<u>0</u>
Total assets		<u>8.753.083</u>	<u>0</u>

Balance sheet at 31 December 2022

	<u>Note</u>	<u>2022</u> eur	<u>2021</u> Teur
Equity and liabilities			
Share capital		101.298	0
Share premium account		863.700	0
Retained earnings		-5.172	0
Equity		<u>959.826</u>	<u>0</u>
Subordinate loan capital		403.500	0
Total non-current liabilities	5	<u>403.500</u>	<u>0</u>
Trade payables		-51	0
Payables to subsidiaries		7.150.308	0
Other payables		239.500	0
Total current liabilities		<u>7.389.757</u>	<u>0</u>
Total liabilities		<u>7.793.257</u>	<u>0</u>
Total equity and liabilities		<u><u>8.753.083</u></u>	<u><u>0</u></u>

Statement of changes in equity

	<u>Share capital</u>	<u>Share premium account</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 7 March 2022	100.000	778.498	0	878.498
Cash capital increase	1.298	85.202	0	86.500
Net profit/loss for the year	0	0	-5.172	-5.172
Equity at 31 December 2022	<u>101.298</u>	<u>863.700</u>	<u>-5.172</u>	<u>959.826</u>

Notes

	<u>2022</u>
	eur
1 Staff costs	
Average number of employees	<u>0</u>
	<u>2022</u>
	eur
2 Financial income	
	<u>2022</u>
	eur
3 Financial costs	
Other financial costs	<u>3.025</u>
	<u>3.025</u>
4 Tax on profit/loss for the year	
5 Long term debt	
	<u>2022</u>
	eur
Subordinate loan capital	
After 5 years	0
Between 1 and 5 years	<u>403.500</u>
Non-current portion	403.500
Within 1 year	<u>0</u>
	<u>403.500</u>
6 Uncertainty about the continued operation (going concern)	
<p>The Company needs additional capital to be able to continue the operation and expansion. The management has proposed a capital increase of eur 2 mill at the ordinary shareholders meeting. The going concern is dependent on a succes of this capital increase. Management are confident that the capital increase will be contributed. We raise a material uncertainty on whether the capital increase will be succesfull.</p>	

Notes

7 Contingent liabilities

The Company has guaranteed a number of lease agreements signed in subsidiary companies.

8 Mortgages and collateral

The Company has not pledged any assets or issued any securities.