

Verdict ApS

C/O Taurus Ejendomsadministration ApS
Skovvejen 11, st., 8000 Aarhus C

CVR no. 43 19 39 45

Annual report 2022

(As of the establishment of the Company 12 April - 31 December 2022)

Approved at the Company's annual general meeting on 3 May 2023

Chair of the meeting:

.....
Juha Matti Salokoski

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Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of Verdict ApS for the financial year as of the establishment of the Company 12 April - 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 financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year as of the establishment of the Company 12 April - 31 December 2022.

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, 3 May 2023
Executive Board:

.....
Peter Gill
CEO

.....
Hasse Lyngsie Wulff
Director

.....
Juha Matti Salokoski
Director

Independent auditor's report

To the shareholders of Verdict ApS

Opinion

We have audited the financial statements of Verdict ApS for the financial year as of the establishment of the Company 12 April - 31 December 2022, 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 2022 and of the results of the Company's operations for the financial year as of the establishment of the company 12 April - 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 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' International 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, 3 May 2023
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Kaare K. Lendorf
State Authorised Public Accountant
mne33819

Management's review

Company details

Name	Verdict ApS
Address, Postal code, City	C/O Taurus Ejendomsadministration ApS Skovvejen 11, st., 8000 Aarhus C
CVR no.	43 19 39 45
Established	12 April 2022
Registered office	Aarhus
Financial year	12 April - 31 December 2022
Executive Board	Peter Gill, CEO Hasse Lyngsie Wulff, Director Juha Matti Salokoski, Director
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Business review

The Company's purpose is investments in real estate and related activities.

Financial review

The income statement for 2022 shows a profit of DKK 53,434,860, and the balance sheet at 31 December 2022 shows equity of DKK 148,827,478.

As the company's purpose is investment in properties, the Company is affected by changes in the property market, including the general economic conditions.

The market situation in the real estate sector is affected by uncertainty, as a result high inflation and increasing interest rates. However, the company's activities have not been significantly affected by this.

The uncertainty related to interest rates and yields has created a gap between buyers' and sellers' expectation to sales prices of properties which is reflected in the lower transaction volume for investment properties in late 2022.

This has been reflected in the valuation of the company's properties.

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 12 April - 31 December 2022

Income statement

Note	DKK	2022 9 months
	Gross profit	17,317,225
	Fair value adjustment of investment property	57,059,370
	Profit before net financials	74,376,595
3	Financial expenses	-5,870,364
	Profit before tax	68,506,231
4	Tax for the year	-15,071,371
	Profit for the year	53,434,860
	Recommended appropriation of profit	
	Retained earnings	53,434,860

Financial statements for the period 12 April - 31 December 2022

Balance sheet

Note	DKK	<u>2022</u>
	ASSETS	
	Fixed assets	
5	Property, plant and equipment	
6	Investment property	454,200,000
		<u>454,200,000</u>
	Total fixed assets	<u>454,200,000</u>
	Non-fixed assets	
	Receivables	
	Other receivables	131,737
		<u>131,737</u>
	Cash	<u>16,714,577</u>
	Total non-fixed assets	<u>16,846,314</u>
	TOTAL ASSETS	<u><u>471,046,314</u></u>
	EQUITY AND LIABILITIES	
	Equity	
	Share capital	40,001
	Share premium account	95,352,617
	Retained earnings	53,434,860
	Total equity	<u>148,827,478</u>
	Provisions	
	Deferred tax	12,856,444
	Total provisions	<u>12,856,444</u>
	Liabilities other than provisions	
7	Non-current liabilities other than provisions	
	Mortgage debt	211,083,883
	Payables to group entities	60,768,305
	Deposits	17,905,836
		<u>289,758,024</u>
	Current liabilities other than provisions	
7	Short-term part of long-term liabilities other than provisions	11,816,775
	Trade payables	2,548,752
	Joint taxation contribution payable	2,214,927
	Other payables	3,023,914
		<u>19,604,368</u>
	Total liabilities other than provisions	<u>309,362,392</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>471,046,314</u></u>

- 1 Accounting policies
- 2 Staff costs
- 8 Contractual obligations and contingencies, etc.
- 9 Collateral
- 10 Related parties

Financial statements for the period 12 April - 31 December 2022

Statement of changes in equity

DKK	Share capital	Share premium account	Retained earnings	Total
Cash payments concerning formation of enterprise	40,000	0	0	40,000
Capital increase	1	95,352,617	0	95,352,618
Transfer through appropriation of profit	0	0	53,434,860	53,434,860
Equity at 31 December 2022	40,001	95,352,617	53,434,860	148,827,478

Financial statements for the period 12 April - 31 December 2022

Notes to the financial statements

1 Accounting policies

The annual report of Verdict ApS for 2022 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 recognised in the balance sheet when it is probable that future economic benefits attributable to the asset 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 out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Reporting currency

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

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, 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.

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 income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities and associates, declared dividends from other securities and investments, financial expenses relating to finance leases, realised and unrealised capital gains and losses relating to other securities and investments, exchange gains and losses and amortisation of financial assets and liabilities.

Financial statements for the period 12 April - 31 December 2022

Notes to the financial statements

1 Accounting policies (continued)

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

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

The Company has chosen IAS 39 as interpretation for impairment write-down of financial 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 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.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Provisions

Provisions comprise anticipated expenses relating to warranty commitments, onerous contracts, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

Financial statements for the period 12 April - 31 December 2022

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.

Fair value

The fair value measurement is based on the principal market. If no principal market exists, the measurement is based on the most advantageous market, i.e. the market that maximises the price of the asset or liability less transaction and/or transport costs.

All assets and liabilities which are measured at fair value, or whose fair value is disclosed, are classified based on the fair value hierarchy, see below:

Level 1: Value in an active market for similar assets/liabilities

Level 2: Value based on recognised valuation methods on the basis of observable market information

Level 3: Value based on recognised valuation methods and reasonable estimates (non-observable market information).

Financial statements for the period 12 April - 31 December 2022

Notes to the financial statements

2 Staff costs

The Company has no employees.

DKK	2022 9 months
3 Financial expenses	
Interest expenses, group entities	2,160,651
Other financial expenses	3,709,713
	<u>5,870,364</u>
4 Tax for the year	
Estimated tax charge for the year	2,214,927
Deferred tax	12,856,444
	<u>15,071,371</u>

5 Property, plant and equipment

DKK	Investment property
Additions	<u>397,140,630</u>
Cost at 31 December 2022	<u>397,140,630</u>
Revaluations at 12 April 2022	0
Value adjustments for the year	<u>57,059,370</u>
Revaluations at 31 December 2022	<u>57,059,370</u>
Carrying amount at 31 December 2022	<u><u>454,200,000</u></u>

6 Investment property

Fair value estimation

Assumptions underlying the determination of fair value of investment properties

The company's investments property is measured at fair value after the fair value hierarchy level 3.

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

Independent appraiser are consulted for purposes of estimating the fair values.

A weighted exit yield of 5.50% and a discount rate of 7.50% has been applied in the market value assessment at 31 December 2022.

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 cashflows that the individual property is expected to generate, expected CAPEX investments and development in vacancy.

Financial statements for the period 12 April - 31 December 2022

Notes to the financial statements

- ▶ The fair value of investment properties amounts to 454,200,000 DKK
- ▶ Budget period: 10 years
- ▶ Commercial rent per sqm: 925 DKK
- ▶ Net yield for commercial units: 5.89%
- ▶ Operating expenses per sqm: 160 DKK
- ▶ Maintenance per sqm: 23 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 discount rate by 0.5 percentage points will imply a decrease in the fair value of DKK 40,600,000. A decrease in the discount rate by 0.5 percentage points will imply an increase in the fair value of DKK 48,700,000.

An increase in the weighted exit yield by 0.5 percentage points will imply a decrease in the fair value of DKK 24,200,000. A decrease in the weighted exit yield by 0.5 percentage points will imply an increase in the fair value of DKK 29,000,000.

7 Non-current liabilities other than provisions

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

DKK	Total debt at 31/12 2022	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Mortgage debt	220,740,007	9,656,124	211,083,883	171,171,615
Payables to group entities	62,928,956	2,160,651	60,768,305	60,768,305
Deposits	17,905,836	0	17,905,836	17,905,836
	<u>301,574,799</u>	<u>11,816,775</u>	<u>289,758,024</u>	<u>249,845,756</u>

8 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.

9 Collateral

Land and buildings at a carrying amount of DKK 454,200,000 at 31 December 2022 have been put up as security for debt to mortgage credit institutions.

Financial statements for the period 12 April - 31 December 2022

Notes to the financial statements

10 Related parties

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
CapMan Nordic Real Estate III-FCP-RAIF	Luxembourg	1 B Heienhaff, L-1736 Senningerberg, Luxembourg

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

Hasse Lyngsie Wulff

Executive Board

On behalf of: Verdict ApS

Serial number: fcc423e5-34bf-4fff-91ef-efa62f85f241

IP: 152.115.xxx.xxx

2023-05-03 12:41:45 UTC



Peter Gill

Executive Board

On behalf of: Verdict ApS

Serial number: 084a5126-1da6-475c-ae3f-3ba80b438922

IP: 152.115.xxx.xxx

2023-05-04 06:19:15 UTC



Salokoski Juha Matti

Executive Board

On behalf of: Verdict ApS

Serial number:

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IP: 91.154.xxx.xxx

2023-05-10 16:03:39 UTC



Kaare Kristensen

State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: CVR:30700228-RID:73827337

IP: 145.62.xxx.xxx

2023-05-11 07:05:04 UTC



Salokoski Juha Matti

Chairman

On behalf of: Verdict ApS

Serial number:

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