

Sophia Investments ApS

Krøjerup Overdrev 9
4180 Sorø

CVR no. 37 24 84 60

Annual report for 2023

(8th Financial year)

Adopted at the annual general meeting
on 28. juni 2024

Shailendra Patel
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 Sophia Investments ApS for the financial year 1 January - 31 December 2023.

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 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023.

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.

Sorø, 28 June 2024

Executive board

Shailendra Patel
Director

Independent auditor's report

To the shareholder of Sophia Investments ApS

Opinion

We have audited the financial statements of Sophia Investments ApS for the financial year 1 January - 31 December 2023, 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 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023 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

We refer to note 6 in the financial statements, which reflects that the Company recorded a loss of DKK - 206.638 in the financial year ended 31.12 2023 and that the Company's liabilities at that date exceeded the Company's assets by DKK -62.466. This indicates that the Company's ability to remain a going concern is associated with material uncertainty. We have not modified our opinion in respect of this matter.

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, 28 June 2024

CVR no. 33 25 68 76



Søren Jonassen
Statsautoriseret revisor
mne18488

Company details

The company

Sophia Investments ApS
Krøjerup Overdrev 9
4180 Sorø

CVR no.: 37 24 84 60

Reporting period: 1 January - 31 December 2023

Incorporated: 16 November 2015

Domicile: Sorø

Executive board

Shailendra Patel, 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 invest in and enable Social Enterprise projects and other Social Enterprise organisations.

Financial review

The company's income statement for the year ended 31 December 2023 shows a loss of DKK 206.638, and the balance sheet at 31 December 2023 shows negative equity of DKK 62.466.

The company has lost a significant part of the company capital. The management expect that the equity will be reestablished within 3 - 4 years, by the company's own earnings. The company is dependent on the necessary financing being made available from the company's capital owners. The management expect the necessary financing to be made available from the company's capital owners and submits in accordance with this, annual report under the assumptions of the continued operation.

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 Sophia Investments ApS for 2023 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 2023 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 and consumables and other external expenses.

Other external expenses

Other external expenses include expenses related to sale, advertising, administration etc.

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, 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

Investments in subsidiaries, associates and participating interests are measured at the proportionate share of the net asset value of the entities, calculated on the basis of the group's accounting policies, plus or less unrealised intra-group gains or losses and plus or less any remaining value of positive or negative goodwill stated according to the purchase method. Negative goodwill is recognised in the income statement on acquisition. Where the negative goodwill relates to contingent liabilities having been taken over, the negative goodwill is not recognised until the contingent liabilities have been settled or no longer exist.

Investments in subsidiaries and associates are measured in the parent company financial statements using the equity method.

Investments in subsidiaries, associates and participating interests with a negative net asset value are measured at DKK 0, and the carrying amount of any receivables from these entities is reduced to the extent that they are considered irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the receivable, the balance is recognised under provisions.

Net revaluations of investments in subsidiaries, associates and participating interests are taken to the net revaluation reserve according to the equity method in so far as that the carrying amount exceeds the cost. Dividends from subsidiaries which are expected to be declared before the annual report of Sophia Investments ApS is adopted are not taken to the net revaluation reserve.

Receivables

Receivables are measured at amortised cost.

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, using the effective interest rate of individual receivables or portfolios of receivables as discount rate.

Accounting policies

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.

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'.

Income statement
1 January 2023 - 31 December 2023

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> TDKK
Gross profit		-152.141	-388
Financial income	2	7.727	23
Financial costs	3	<u>-62.224</u>	<u>-400</u>
Profit/loss for the year		<u><u>-206.638</u></u>	<u><u>-765</u></u>
 Recommended appropriation of profit/loss			
Retained earnings		<u>-206.638</u>	<u>-765</u>
		<u><u>-206.638</u></u>	<u><u>-765</u></u>

Balance sheet at 31 December 2023

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> TDKK
Assets			
Participating interests		3.676.133	4.407
Other receivables		4.284.368	4.284
Fixed asset investments		7.960.501	8.691
Total non-current assets		7.960.501	8.691
Other receivables		108.520	21
Receivables		108.520	21
Cash at bank and in hand		71.894	606
Total current assets		180.414	627
Total assets		8.140.915	9.318

Balance sheet at 31 December 2023

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> TDKK
Equity and liabilities			
Share capital		140.000	140
Share premium account		3.980.000	3.980
Retained earnings		-4.182.466	-3.976
Equity		-62.466	144
Payables to shareholders and management		8.173.381	9.143
Other payables		30.000	31
Total current liabilities		8.203.381	9.174
Total liabilities		8.203.381	9.174
Total equity and liabilities		8.140.915	9.318
Uncertainty about the continued operation (going concern)	6		
Contingent liabilities	7		
Mortgages and collateral	8		

Statement of changes in equity

	<u>Share capital</u>	<u>Share premium account</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2023	140.000	3.980.000	-3.975.828	144.172
Net profit/loss for the year	<u>0</u>	<u>0</u>	<u>-206.638</u>	<u>-206.638</u>
Equity at 31 December 2023	<u>140.000</u>	<u>3.980.000</u>	<u>-4.182.466</u>	<u>-62.466</u>

Notes

	<u>2023</u> DKK	<u>2022</u> TDKK
1 Staff costs		
Number of fulltime employees on average	<u>0</u>	<u>0</u>
2 Financial income		
Other financial income	<u>7.727</u>	<u>23</u>
	<u>7.727</u>	<u>23</u>
3 Financial costs		
Other financial costs	<u>62.224</u>	<u>400</u>
	<u>62.224</u>	<u>400</u>
4 Tax on profit/loss for the year		
	<u>0</u>	<u>0</u>
5 Investments in subsidiaries		
Cost at 1 January 2023	<u>0</u>	<u>0</u>
Cost at 31 December 2023	<u>0</u>	<u>0</u>
Revaluations at 1 January 2023	<u>0</u>	<u>0</u>
Revaluations at 31 December 2023	<u>0</u>	<u>0</u>
Carrying amount at 31 December 2023	<u>0</u>	<u>0</u>

Notes

6 Uncertainty about the continued operation (going concern)

The founder has provided a support letter for financial support of the company the coming 12 month. Further the founder will propose a debt conversion of DKK 4.000.000 to ensure a positive equity. Based on this the company is considered to be a going concern.

7 Contingent liabilities

Non.

8 Mortgages and collateral

Non.