

Forenom ApS

Amager Strandvej 390, 1.

2770 Kastrup

CVR No. 37401498

Annual Report 2022

7. financial year

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 17 May 2023

Markku Johannes Kangas
Chairman

Forenom ApS

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Management's Statement

Today, Management has considered and adopted the Annual Report of Forenom ApS for the financial year 1 January 2022 - 31 December 2022.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January 2022 - 31 December 2022.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Kastrup, 17 May 2023

Executive Board

Lars Brejner Dissing
Man. Director

Supervisory Board

Markku Johannes Kangas
Chairman

Veli Matti Packalén
Member

Independent Auditors' Report

To the shareholders of Forenom ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the the Company 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.

We have audited the financial statements of Forenom ApS for the financial year 1 January 2022 - 31 December 2022, which comprise an income statement, balance sheet, statement of changes in equity, and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in the "Auditors' responsibility 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' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statement in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on 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 opinion providing assurance regarding the Management's review.

Our responsibility in connection with our audit of the financial statements 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 with the knowledge we have gained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

Management's responsibility 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 considers 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 either liquidate the Company or suspend operations, or has no realistic alternative but to do so.

The auditor's responsibility for the audit of the financial statements

Our responsibility is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Independent Auditors' Report

Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain an attitude of professional skepticism throughout the audit. We also:

- * Identify and assess the risk of material misstatements in 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 a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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 whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.
- * Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could 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 auditors' 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 auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.
- * Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements reflect 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 which we identify during our audit.

Copenhagen, 17 May 2023

PRICEWATERHOUSECOOPERS
STATSAUTORISERET REVISIONSPARTNERSELSKAB
CVR-no. 33771231

Maj-Britt Nørskov Nannestad
State Authorised Public Accountant
mne32198

Mads Blichfeldt Fjord
State Authorised Public Accountant
mne46065

Management's Review

The Company's principal activities

The Company's principal activities consist in running a hotel business, business with other rental of rooms and housing and other related business.

Exceptional circumstances

No exceptional circumstances have affected recognition or measurement.

Development in activities and the financial situation

The Company's Income Statement of the financial year 1 January 2022 - 31 December 2022 shows a result of DKK 1.026.538 and the Balance Sheet at 31 December 2022 a balance sheet total of DKK 44.232.711 and an equity of DKK -28.505.600.

Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

Expectations for the future

The Company expects its operations to develop positively next year.

Capital resources

Management works continuously to improve and optimize the company's operations and financial performance. In order for the company to meet its liabilities as they fall due the parent company Forenom Oy have issued a Letter of support to the company. The letter of support from Forenom Oy is valid until and including 31 December 2023 and states that Forenom Oy will provide the necessary liquidity. Based on this management considers the company's capital resources to be sufficient for the company to meet its obligations up to and including 31 December 2023.

Based on this management considers the company's capital resources to be sufficient for the company to meet its obligations up to and including 31 December 2023.

Please refer to note 1 "Capital resources".

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Accounting Policies

Reporting Class

The Annual Report of Forenom ApS for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B with selection of few provisions from reporting class C.

The accounting policies applied remain unchanged from last year.

Reporting currency

The Annual Report is presented in Danish kroner.

Translation policies

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the Income Statement under Financial Income and Expenses.

Income Statement

Gross profit/loss

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit is a combination of the items of revenue and goods for resale, other operating income and other external expenses.

Revenue

Revenue from the rental of properties is recognised in the income statement for the relevant period. Revenue is measured at fair value and determined exclusive of VAT and discounts.

Other sales revenues includes financial items of secondary nature in relation to the company's main activity, including profits from the sales of intangible and tangible assets.

Other external expenses

Other external costs include sales, advertising, administration, premises, loss of debtors, operating leasing costs etc.

Staff expenses

Staff expenses comprise wages, salaries and other pay-related costs, such as sickness benefits for enterprise employees less wage/salary reimbursement, pensions and social security costs.

Other staff expenses are recognised in other external expenses.

Accounting Policies

Amortisation and impairment of tangible and intangible assets

Amortisation and impairment of intangible and tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	Useful life	Residual value
Concessions, patents, licens, trademarks and other similar rights	10 years	0%
Other fixtures and fittings, tools and equipment	3-10 years	0%
Leasehold improvements	5 years	0%

Profit or loss resulting from the sale of intangible or tangible assets is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the Income Statement under other operating income or expenses.

Financial income and expenses

Financial income and expenses are recognised in the Income Statement based on the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, financial expenses of finance leases, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the tax prepayment scheme.

Dividends from equity investments are recognised as income in the financial year in which the dividends are declared.

Tax on net profit for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

Accounting Policies

Balance Sheet

Tangible and Intangible assets

Tangible and Intangible assets are measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

The depreciable amount is calculated taking into consideration the residual value of the asset at the end of its useful life, reduced by impairment losses, if any. The depreciation period and the residual value are determined at the date of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

In case of changes in depreciation period or residual value, the effect of a change in depreciation period is recognised prospectively in accounting estimates.

Cost includes the purchase price and expenses directly related to the acquisition until the time when the asset is ready for use. The cost of self constructed assets includes costs for materials, components, subcontractors, direct payroll costs and indirect production costs.

The cost of composite asset is disaggregated into components, which are separately depreciated if the useful lives of the individual components differ.

The carrying amounts of property plant and equipment are tested annually to determine whether there is any indication of impairment other than what is expressed by amortisation and depreciation. If so, the assets are tested for impairment to determine whether the recoverable amounts are lower than the carrying amounts and the relevant assets are written down to such lower recoverable amounts.

The recoverable amount of an asset is determined as the higher of the net sales price and the value in use. Where the recoverable amount of the individual assets cannot be determined, the assets are grouped together into the smallest group of assets that can be estimated to determine an aggregate reliable recoverable amount for those units.

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Impairment of accounts receivables past due is established on individual assessment of receivables.

Accrued income, assets

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Equity

Equity comprises the working capital and a number of equity items that may be statutory or stipulated in the articles of association.

Accounting Policies

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carry-forward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Liabilities

Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the Income Statement over the life of the financial instrument.

In case of bond loans, amortised cost corresponds to the outstanding balance determined as the underlying cash value of the loans at the time of borrowing adjusted for amortisation of capital losses on the loans over the repayment period.

Other liabilities, comprising deposits, trade payables and other accounts payable, are measured at amortised cost, which usually corresponds to the nominal value.

Other payables

Other payables are measured at amortised cost, which usually corresponds to the nominal value

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Forenom ApS**Income Statement**

	Note	2022 DKK	2021 DKK
Gross profit		21.590.627	5.101.002
Employee benefits expense	2	-14.443.050	-8.827.958
Depreciation, amortisation expense and impairment losses of equipment recognised in profit or loss		-4.548.071	-2.051.610
Profit from ordinary operating activities		2.599.506	-5.778.566
Other finance income		16.880	26.628
Finance expenses arising from group enterprises		-1.545.440	-1.241.759
Other finance expenses		-44.408	-120.286
Profit from ordinary activities before tax		1.026.538	-7.113.983
Tax expense on ordinary activities		0	0
Profit		1.026.538	-7.113.983
Proposed distribution of results			
Retained earnings		1.026.538	-7.113.983
Distribution of profit		1.026.538	-7.113.983

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Balance Sheet as of 31 December

	Note	2022 DKK	2021 DKK
Assets			
Acquired intangible assets	3	7.177.027	0
Intangible assets		7.177.027	0
Fixtures, fittings, tools and equipment	4	15.298.019	7.176.957
Property, plant and equipment		15.298.019	7.176.957
Fixed assets		22.475.046	7.176.957
Short-term trade receivables		9.585.317	5.306.551
Other short-term receivables		8.394.182	4.176.834
Prepayments		3.778.166	2.090.789
Receivables		21.757.665	11.574.174
Current assets		21.757.665	11.574.174
Assets		44.232.711	18.751.131

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Balance Sheet as of 31 December

	Note	2022 DKK	2021 DKK
Liabilities and equity			
Contributed capital		50.000	50.000
Retained earnings		-28.555.600	-32.457.818
Equity		-28.505.600	-32.407.818
Other payables		503.640	435.702
Long-term liabilities other than provisions		503.640	435.702
Prepayments received from customers		9.812.017	6.233.780
Trade payables		176.643	1.234.486
Payables to group enterprises		39.131.683	30.299.922
Other payables		23.114.328	12.955.059
Short-term liabilities other than provisions		72.234.671	50.723.247
Liabilities other than provisions within the business		72.738.311	51.158.949
Liabilities and equity		44.232.711	18.751.131
Contingent liabilities	5		
Collaterals and securities	6		
Related parties	7		

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Statement of changes in Equity

	Contributed capital	Retained earnings	Total
Equity 1 January 2022	50.000	-32.457.818	-32.407.818
Increase of capital by conversion of debt	0	2.875.680	2.875.680
Profit (loss)	0	1.026.538	1.026.538
Equity 31 December 2022	50.000	-28.555.600	-28.505.600

The share capital has remained unchanged for the last 5 years.

Notes

1. Capital resources

Management works continuously to improve and optimize the company's operations and financial performance. In order for the company to meet its liabilities as they fall due the parent company Forenom Oy have issued a Letter of support to the company. The letter of support from Forenom Oy is valid until and including 31 December 2023 and states that Forenom Oy will provide the necessary liquidity. Based on this management considers the company's capital resources to be sufficient for the company to meet its obligations up to and including 31 December 2023.

Based on this management considers the company's capital resources to be sufficient for the company to meet its obligations up to and including 31 December 2023.

2. Employee benefits expense

	2022	2021
Wages and salaries	13.551.895	8.275.452
Post-employment benefit expense	696.866	389.274
Social security contributions	194.289	163.232
	14.443.050	8.827.958
Average number of employees	25	21

3. Intangible assets

Addition during the year, incl. improvements	7.287.724	0
Cost at the end of the year	7.287.724	0
Amortisation for the year	-110.697	0
Impairment losses and amortisation at the end of the year	-110.697	0
Carrying amount at the end of the year	7.177.027	0

4. Fixtures, fittings, tools and equipment

Cost at the beginning of the year	13.144.201	7.354.626
Addition during the year, incl. improvements	12.558.436	5.789.575
Cost at the end of the year	25.702.637	13.144.201
Depreciation and amortisation at the beginning of the year	-5.967.244	-3.915.634
Amortisation for the year	-4.437.374	-2.051.610
Impairment losses and amortisation at the end of the year	-10.404.618	-5.967.244
Carrying amount at the end of the year	15.298.019	7.176.957

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Notes

5. Contingent liabilities

The company has a lease obligation that terminate within 1 year of 187.506 DKK and within 1 to 5 years of 73.795 DKK.

The company has a obligation of rent if terminated of 16.560.506 DKK.

The company has a non-booked deffered tax asset amounting to t.DKK 26.000.

6. Collaterals and securities

Forenom ApS has provided bank guarantees for t.DKK 4.208 as part of its normal operations.

7. Related parties

The company is reflected in the group report as the parent company Forenom OY, Mannerheimintie 113, SF-00280 Helsinki, Finland.