

Pegasus Nordic Group ApS

C/O Accountor Denmark A/S
Herlev Hovedgade 195C
2730 Herlev

CVR No. 38696947

Annual Report 2021/22

5. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 28 October 2022

Weiwei Hu
Chairman

Pegasus Nordic Group ApS

Contents

Management's Statement	3
Independent Auditors' Report	4
Company Information	7
Management's Review	8
Accounting Policies	9
Income Statement	12
Balance Sheet	13
Notes	16

Management's Statement

Today, Management has considered and adopted the Annual Report of Pegasus Nordic Group ApS for the financial year 1 May 2021 - 30 April 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 30 April 2022 and of the results of the Company's operations for the financial year 1 May 2021 - 30 April 2022.

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

The Annual General Meeting of the Company decides that the Financial Statements for next year are not to be audited. The conditions for not conducting an audit of the Financial Statements have been met.

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

Herlev, 28 October 2022

Executive Board

Shan Yang
Manager

Supervisory Board

Weiwei Hu
Chairman

Independent Auditors' Report

To the shareholders of Pegasus Nordic Group ApS

Qualified opinion

We have audited the financial statements of Pegasus Nordic Group ApS for the financial year 1 May 2021 - 30 April 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 in accordance with the Danish Financial Statements Act.

In our opinion, except for the potential effects of the matter described in the "Basis-of-qualified-opinion" paragraph, the financial statements give a true and fair view of the Company's financial position at 30 April 2022 and of the results of its operations for the financial year 1 May 2021 - 30 April 2022 in accordance with the Danish Financial Statements Act.

Basis of qualified conclusion

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.

As we were appointed auditors of the Company on 16 February 2022, we did not witness the count of the Company's physical inventory at the beginning of the year. We were unable to satisfy ourselves by alternative means as to the inventory quantities held at 30th April 2021, DKK 380,000. As inventories at the beginning of the financial year are part of the determination of the Company's profit/loss for the year and cash flows, it was not possible for us to establish if it might have been necessary to correct the profit/loss for the year according to the income statement and the cash flows from operating activities according to the cash flow statement. The inventory as of 30th April 2022 is DKK 0. Management has stated that the company has tried to sell inventories but without success. They also stated that the inventory has been destroyed, but we have not been able to verify this from a third party.

The management has stated that debt to foreign supplier, DKK 273,361 must not be paid and instead be reversed as income. We have not been able to verify this information.

Material going concern uncertainty

Without modifying our opinion, we wish to note that the Company's ability to continue as a going concern is associated with considerable uncertainty. We refer to note 1 in the financial statements, which reflects uncertainty to the value of the letter of support from Pegasus Group OY and entered into for the financing of the Company's operations in the coming year. However, as Management believes that such commitments will be entered into, the financial statements have been prepared on a going concern basis.

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

Independent Auditors' Report

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.

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.

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.

Pegasus Nordic Group ApS

Independent Auditors' Report

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.

Kongens Lyngby, 28. oktober 2022

Fetterlein registreret revisionsanpartsselskab

CVR-no. 36081848

Claus Jørn Fetterlein

Registered Public Accountant

mne2674

Pegasus Nordic Group ApS

Company details

Company	Pegasus Nordic Group ApS C/O Accountor Denmark A/S Herlev Hovedgade 195C 2730 Herlev
CVR No.	38696947
Date of formation	7 June 2017
Registered office	Herlev
Supervisory Board	Weiwei Hu
Executive Board	Shan Yang, Manager
Auditors	Fetterlein registreret revisionsanpartsselskab Bagsværdvej 82 2800 Kongens Lyngby CVR-no.: 36081848

Management's Review

The Company's principal activities

The Company's principal activities consist to do business in the retail, travel agency, catering and consulting services, and related business.

Development in activities and the financial situation

The Company's Income Statement of the financial year 1 May 2021 - 30 April 2022 shows a result of DKK -1.143.659 and the Balance Sheet at 30 April 2022 a balance sheet total of DKK 382.983 and an equity of DKK -2.343.509.

Post financial year events

The company has been extremely affected by the Covid-19 situation. As the company is influenced by the tourist industry, this has had a direct impact on the company's operations. All company activity has been suspended.

Expectations for the future

The Company has good connection and resources in travelling business, once the tourist industry gets back on track the company's business can start to run as well.

The loss represents more than 50% of the share capital. The management expect that the share capital will be restored by its normal operating activities. In addition, the management team is actively trying to find new business opportunities.

The Annual General Meeting of the Company decides that the Financial Statements for next year are not to be audited.

Accounting Policies

Reporting Class

The annual report of Pegasus Nordic Group ApS for 2021/22 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

Reporting currency

The annual report is presented in Danish kroner.

General information

Basis of recognition and measurement

The financial statement have been prepared under the historical cost principle.

Income is recognised in the income statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortized cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortization, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been 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 accrue 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 attributable to the asset will flow out of the 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 item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the financial statement, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

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.

The gross profit comprises the net turnover, consumption of goods , other operating income, and external costs.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and leasing costs.

Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised excluding VAT and all discounts granted are recognised in revenue.

Accounting Policies

Staff costs

Staff costs include wages and salaries including compensated absence and pension to the Companies employees, as well as other social security contributions etc. The item is deducted from refunds from public authorities.

Depreciation of tangible and intangible assets

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

	Useful life
Goodwill	7 years
Leasehold improvements	4 years

Financial income and expenses

Financial income and expenses are recognised in the income statement based at 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 advance-payment of tax scheme.

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.

Balance sheet

Intangible assets

Goodwill is measured at cost less accumulated amortisation and impairment losses. Due to the fact that all business activity has been suspended. Goodwill have been valued at DKK 0 due to an impairment test. An additional depreciation of goodwill have been taken accordingly.

An impairment test of goodwill is performed in the event of indications of a decrease in value. The impairment test is performed for the activity or the business area to which the goodwill relates. Goodwill is written down to the higher of the value in use and the net selling price for the activity or business area to which the goodwill relates (recoverable amount) in the event that this one is lower than the carrying amount.

Tangible assets

Deposits

Deposits are measured at cost.

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

Accounting Policies

articles of association.

Liabilities

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 amortized cost, which usually corresponds to the nominal value.

Income Statement

	Note	2021/22 kr.	2020/21 kr.
Gross profit		-750.151	-553.572
Employee benefits expense	2	-7.317	55.697
Depreciation of tangible and intangible assets recognised in profit or loss		-383.657	-308.223
Profit from ordinary operating activities		-1.141.125	-806.098
Other finance income		135	7.138
Finance expences		-2.669	-1.724
Profit from ordinary activities before tax		-1.143.659	-800.684
Tax expense on ordinary activities		0	0
Profit		-1.143.659	-800.684
Proposed distribution of results			
Retained earnings		-1.143.659	-800.684
Distribution of profit		-1.143.659	-800.684

Balance Sheet as of 30 April

	Note	2022 kr.	2021 kr.
Assets			
Goodwill	3	0	383.657
Intangible assets		0	383.657
Leasehold improvements	4	0	0
Property, plant and equipment		0	0
Deposits, investments		0	238.789
Investments		0	238.789
Fixed assets		0	622.446
Manufactured goods and goods for resale		0	380.000
Inventories		0	380.000
Other short-term receivables		0	99.316
Deferred income		1.072	30.574
Receivables		1.072	129.890
Cash and cash equivalents		381.911	316.477
Current assets		382.983	826.367
Assets		382.983	1.448.813

Balance Sheet as of 30 April

	Note	2022 kr.	2021 kr.
Liabilities and equity			
Contributed capital		50.000	50.000
Retained earnings		-2.393.509	-1.249.850
Equity		-2.343.509	-1.199.850
Trade payables		3.599	283.157
Payables to group enterprises		2.318.089	2.089.088
Other payables		78.384	46.485
Payables to shareholders and management		326.420	229.933
Short-term liabilities other than provisions		2.726.492	2.648.663
Liabilities other than provisions within the business		2.726.492	2.648.663
Liabilities and equity		382.983	1.448.813
Collaterals and assets pledges as security	5		
Ownership	6		

Pegasus Nordic Group ApS

Statement of changes in Equity

	Contributed capital	Retained earnings	Total
Equity 1 May 2021	50.000	-1.249.850	-1.199.850
Profit (loss)	0	-1.143.659	-1.143.659
Equity 30 April 2022	50.000	-2.393.509	-2.343.509

The share capital has remained unchanged since the formation of the company in June 2017.

Notes

2021/22

2020/21

1. Uncertainties relating to going concern

The parent company has issued a declaration of withdrawal that confirms that no receivables will be collected from Pegasus Nordic Group ApS until after May 1st 2023.

The parent company has also issued a letter of support providing assurance that the necessary funds will be provided to the Company, and consequently, the financial statements are presented under the going concern assumption. At present, the parent company has not submitted annual account for 2021/2022, which is why reservations are made about the value of the declaration of support.

2. Employee benefits expense

Wages and salaries	0	136.777
Wage reimbursement	0	-141.650
Social security contributions	1.252	6.483
Other employee expense	6.065	-57.307
	7.317	-55.697
Average number of employees	0	1

3. Goodwill

Cost at the beginning of the year	895.200	895.200
Cost at the end of the year	895.200	895.200
Depreciation and amortisation at the beginning of the year	-511.543	-383.657
Amortisation for the year	-127.886	-127.886
Impairment losses for the year	-255.771	0
Impairment losses and amortisation at the end of the year	-895.200	-511.543
Carrying amount at the end of the year	0	383.657

4. Leasehold improvements

Cost at the beginning of the year	721.257	721.257
Cost at the end of the year	721.257	721.257
Depreciation and amortisation at the beginning of the year	-721.257	-540.920
Amortisation for the year	0	-180.337
Impairment losses and amortisation at the end of the year	-721.257	-721.257
Carrying amount at the end of the year	0	0

5. Collaterals and securities

No collaterals or securities exist at the balance sheet date.

Notes

2021/22

2020/21

6. Ownership

The Company has registered the following shareholder to hold more than 5% of the voting capital or of the nominal value of the share capital:

Pegasus Group OY, Eteläranta 18-20, 00130 Helsinki, Finland. The shareholder controls the company.

7. Special items

	2022	2021
Impairment of inventories in addition to normal depreciation charges	-380.000	0
Reversal of debt to be posted as income	273.361	0
Impairment of losses for the year goodwill	-255.771	0
Balance at the end of the year	-362.410	0