

IFLY COPENHAGEN ApS

Poul Bundgaards Vej 1 1., 2500 Valby

CVR no. 38 78 81 08

**Annual report for the period
1 January to 31 December 2021**

Adopted at the annual general meeting on 22 March
2022

Simon Ward
chairman



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Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of IFLY COPENHAGEN ApS for the financial year 1 January - 31 December 2021.

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 company's financial position at 31 December 2021 and of the results of the company's operations for the financial year 1 January - 31 December 2021.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

The financial statements have not been audited. Management considers the criteria for not auditing the financial statements to be met.

Copenhagen, 22 March 2022

Executive board

Emmanuel Gilles Marie Ars
CEO

Supervisory board

Simon Ward
chairman

Aly Noormohamad

Auditor's report on compilation of the financial statements

To the shareholder of IFLY COPENHAGEN ApS

We have compiled the financial statements of IFLY COPENHAGEN ApS for the financial year 1 January - 31 December 2021 based on the company's bookkeeping records and other information made available by enterprise.

The financial statements comprises income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies,

We performed the engagement in accordance with ISRS 4410, Compilation Engagements.

We have applied our professional expertise to assist the enterprise in the preparation and presentation of the financial statements in accordance with the Danish Financial Statements Act. We complied with the relevant provisions of the Danish Act on Approved Auditors and with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), including principles relating to integrity, objectivity, professional competence and due care.

The financial statements and the accuracy and completeness of the information used to compile the financial statements are the enterprise's responsibility.

As a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided by enterprise for our compilation of the financial statements. Accordingly, we do not express an audit or a review conclusion on whether the financial statements have been prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 22 March 2022

Baker Tilly Denmark
Godkendt Revisionspartnerselskab
CVR no. 35 25 76 91

Peter Aagesen
state authorised public accountant
MNE no. mne41287

Company details

The company	IFLY COPENHAGEN ApS Poul Bundgaards Vej 1 1. 2500 Valby CVR no.: 38 78 81 08 Reporting period: 1 January - 31 December 2021 Incorporated: 10 July 2017 Domicile: Copenhagen
Supervisory board	Simon Ward, chairman Aly Noormohamad
Executive board	Emmanuel Gilles Marie Ars, CEO
Auditors	Baker Tilly Denmark Godkendt Revisionspartnerselskab Poul Bundgaards Vej 1, 1. 2500 Valby

Management's review

Business review

The company's purpose is to operate the consumer entertainment business as well related business.

Financial review

The company's income statement for the year ended 31 December 2021 shows a loss of DKK 64.410.644, and the balance sheet at 31 December 2021 shows negative equity of DKK 62.350.064.

Significant events occurring after the end of the financial year

On February 7th, 2022 iFLY's Landlord agreed to terminate the ground lease subject to the Company returning the site to original condition. The building demolition and site remediation work is in-progress and is expected to be complete by June 2022. The Company's liabilities will be settled at that time and the Company will be dissolved. No other events have occurred after the balance sheet date which could significantly affect the company's financial position.

Income statement 1 January - 31 December

	Note	2021	2020
		DKK	DKK
Gross profit		-1.170.398	-4.911.558
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-53.190.688	0
Profit/loss before net financials		-54.361.086	-4.911.558
Financial income		0	4.984.194
Financial costs	2	-10.049.558	-15
Profit/loss before tax		-64.410.644	72.621
Tax on profit/loss for the year	3	0	-902.508
Profit/loss for the year		-64.410.644	-829.887
Distribution of profit			
Recommended appropriation of profit/loss			
Retained earnings		-64.410.644	-829.887
		-64.410.644	-829.887

Balance sheet 31 December

Note	2021 DKK	2020 DKK
Assets		
Property, plant and equipment in progress	0	53.247.551
Tangible assets	0	53.247.551
Total non-current assets	0	53.247.551
Other receivables	4.000	4.907
Prepayments	64.248	38.895
Receivables	68.248	43.802
Total current assets	68.248	43.802
Total assets	68.248	53.291.353

Balance sheet 31 December

Note	2021 DKK	2020 DKK
Equity and liabilities		
Share capital	50.000	50.000
Retained earnings	-62.400.064	2.010.580
Equity	-62.350.064	2.060.580
Other provisions	2.993.182	2.837.121
Total provisions	2.993.182	2.837.121
Trade payables	64.350	758.012
Payables to related parties	59.325.230	47.635.640
Other payables	35.550	0
Total current liabilities	59.425.130	48.393.652
Total liabilities	59.425.130	48.393.652
Total equity and liabilities	68.248	53.291.353

Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	50.000	2.010.580	2.060.580
Net profit/loss for the year	0	-64.410.644	-64.410.644
Equity at 31 December	50.000	-62.400.064	-62.350.064

Notes

1 Uncertainty about the continued operation (going concern)

The Company's operations is currently on hold. In order to meet the financial commitments for 2022 the Company relies on continued financial support from related parties. Management expects it's related parties to continue to support the Company for the coming year and based on this assumption, Management has prepared the financial statements under going concern principles.

	2021	2020
	DKK	DKK
2 Financial costs		
Other financial costs	153	15
Exchange loss	10.049.405	0
	10.049.558	15
3 Tax on profit/loss for the year		
Deferred tax for the year	0	902.508
	0	902.508

4 Contingent liabilities

The Company has entered into an interminable rent agreement which expires in year 2039.

Accounting policies

The annual report of IFLY COPENHAGEN ApS for 2021 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 accounting policies applied are consistent with those of last year.

The annual report for 2021 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

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.

Other operating income

Other operating income comprises items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and items of property, plant and equipment.

Accounting policies

Other external costs

Other external costs include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

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

Tangible assets

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Receivables

Receivables are measured at amortised cost.

Provisions

Provisions comprise expected expenses relating to warranty commitments, losses on work in progress, restructuring, etc. Provisions are recognised when, as a result of a past event, the company has a legal or constructive obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Accounting policies

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.

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.

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.