

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 2022**

Adopted at the annual general meeting on 12 June
2023

Simon Ward
chairman



Table of contents

	Page
Statements	
Statement by management on the annual report	1
Auditor's report on compilation of the financial statements	2
Management's review	
Company details	3
Management's review	4
Financial statements	
Income statement 1 January - 31 December	5
Balance sheet 31 December	6
Statement of changes in equity	8
Notes	9
Accounting policies	10

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 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 company's financial position at 31 December 2022 and of the results of the company's operations for the financial year 1 January - 31 December 2022.

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, 12 June 2023

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 2022 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, 12 June 2023

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 2022 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 2022 shows a loss of DKK 4.723.684, and the balance sheet at 31 December 2022 shows negative equity of DKK 67.073.748.

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.

Income statement 1 January - 31 December

	Note	2022 DKK	2021 DKK
Gross profit		-607.353	-1.170.398
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		0	-53.190.688
Profit/loss before net financials		-607.353	-54.361.086
Financial costs	2	-4.116.331	-10.049.558
Profit/loss before tax		-4.723.684	-64.410.644
Tax on profit/loss for the year		0	0
Profit/loss for the year		-4.723.684	-64.410.644
Distribution of profit			
Recommended appropriation of profit/loss			
Retained earnings		-4.723.684	-64.410.644
		-4.723.684	-64.410.644

Balance sheet 31 December

	Note	2022	2021
		DKK	DKK
Assets			
Other receivables		113.757	4.000
Prepayments		1.384	64.248
Receivables		115.141	68.248
Total current assets		115.141	68.248
Total assets		115.141	68.248

Balance sheet 31 December

	Note	2022	2021
		DKK	DKK
Equity and liabilities			
Share capital		50.000	50.000
Retained earnings		-67.123.748	-62.400.064
Equity		-67.073.748	-62.350.064
Other provisions		0	2.993.182
Total provisions		0	2.993.182
Trade payables		31.658	64.350
Payables to related parties		67.157.231	59.325.230
Other payables		0	35.550
Total current liabilities		67.188.889	59.425.130
Total liabilities		67.188.889	59.425.130
Total equity and liabilities		115.141	68.248
Uncertainty about the continued operation (going concern)	1		

Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	50.000	-62.400.064	-62.350.064
Net profit/loss for the year	0	-4.723.684	-4.723.684
Equity at 31 December	50.000	-67.123.748	-67.073.748

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 2023 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.

2 Financial costs

Other financial costs
Exchange loss

	2022	2021
	DKK	DKK
	0	153
	4.116.331	10.049.405
	4.116.331	10.049.558

Accounting policies

The annual report of IFLY COPENHAGEN ApS for 2022 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 2022 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

The item Other operating income includes 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, operating losses, indemnities relating to operating losses and conflicts as well as payroll refunds. Indemnities are recognised when it is more probable than not that the company is going to be indemnified.

Accounting policies

Other external expenses

Other external expenses 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

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.

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.

Accounting policies

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.