

Phoebe ApS

Kvæsthusgade 5 C, 2., 1251 København K

CVR no. 39 06 85 40

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

Adopted at the annual general meeting on 21 April
2022

Torsten Brovang
chairman

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Statement by management on the annual report

The executive board has today discussed and approved the annual report of Phoebe 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.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 21 April 2022

Executive board

Jesper Klein-Petersen

Torsten Brovang

Pawel Gasiewski

Independent auditor's report

To the shareholder of Phoebe ApS

Opinion

We have audited the financial statements of Phoebe ApS for the financial year 1 January - 31 December 2021, 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 2021 and of the results of the company's operations for the financial year 1 January - 31 December 2021 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.

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.

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.

Independent auditor's report

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.

Copenhagen, 21 April 2022

Baker Tilly Denmark

Godkendt Revisionspartnerselskab
CVR no. 35 25 76 91

Peter Aagesen
statsautoriseret revisor
MNE no. mne41287

Company details

The company	Phoebe ApS Kvæsthusgade 5 C, 2. 1251 København K CVR no.: 39 06 85 40 Reporting period: 1 January - 31 December 2021 Incorporated: 6 November 2017 Domicile: Copenhagen
Executive board	Jesper Klein-Petersen Torsten Brovang Pawel Gasiewski
Auditors	Baker Tilly Denmark Godkendt Revisionspartnerselskab Poul Bundgaards Vej 1, 1. 2500 Valby
Consolidated financial statements	The Company is included in the consolidated group annual report for the parent company, Hovmarksvej Holding ApS.

Management's review

Business review

The Company's objects are to own shares in other undertakings and to undertake any other activity which the Executive Board deems incidental to the attainment of these objects.

Financial review

The company's income statement for the year ended 31 December 2021 shows a profit of DKK 35.375.165, and the balance sheet at 31 December 2021 shows equity of DKK 119.158.249.

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	2021 DKK	2020 DKK
Gross profit		-68.868	184.013
Staff costs	1	-1.049.075	-961.304
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-7.499	-7.499
Profit/loss before net financials		-1.125.442	-784.790
Income from investments in subsidiaries		36.526.421	42.227.940
Financial income		0	62.332
Financial costs		-167.545	-78.530
Profit/loss before tax		35.233.434	41.426.952
Tax on profit/loss for the year		141.731	0
Profit/loss for the year		35.375.165	41.426.952
Recommended appropriation of profit/loss			
Extraordinary dividend for the year		660.000	5.961.960
Reserve for net revaluation under the equity method		36.526.421	42.227.940
Retained earnings		-1.811.256	-6.762.948
		35.375.165	41.426.952

Balance sheet 31 December

	Note	2021 DKK	2020 DKK
Assets			
Other fixtures and fittings, tools and equipment		2.500	10.000
Tangible assets	2	2.500	10.000
Investments in subsidiaries	3	97.696.105	84.021.677
Deposits		5.250	5.250
Fixed asset investments		97.701.355	84.026.927
Total non-current assets		97.703.855	84.036.927
Receivables from related parties		4.660.056	8.158.265
Other receivables		180	115.820
Receivables		4.660.236	8.274.085
Cash at bank and in hand		17.286.614	48.423
Total current assets		21.946.850	8.322.508
Total assets		119.650.705	92.359.435

Balance sheet 31 December

Note	2021 DKK	2020 DKK
Equity and liabilities		
Share capital	40.000	40.000
Reserve for net revaluation under the equity method	97.517.137	83.842.710
Retained earnings	21.601.112	1.417.317
Equity	119.158.249	85.300.027
Trade payables	11.250	406.812
Payables to related parties	43.167	6.414.681
Other payables	438.039	237.915
Total current liabilities	492.456	7.059.408
Total liabilities	492.456	7.059.408
Total equity and liabilities	119.650.705	92.359.435

Statement of changes in equity

	Share capital	Reserve for net revalua- tion under the equity method	Retained earnings	Proposed extraordinary dividend	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	40.000	83.842.710	1.417.317	0	85.300.027
Ordinary dividend paid	0	0	0	-660.000	-660.000
Exchange adjustment, foreign	0	-856.943	0	0	-856.943
Net profit/loss for the year	0	36.526.421	-1.811.256	660.000	35.375.165
Distributed dividends from investments in subsidiaries	0	-21.995.051	21.995.051	0	0
Equity at 31 December	40.000	97.517.137	21.601.112	0	119.158.249

Notes

	2021 <u>DKK</u>	2020 <u>DKK</u>
1 Staff costs		
Wages and salaries	1.044.365	956.090
Other social security costs	4.710	5.214
	<u>1.049.075</u>	<u>961.304</u>
Average number of employees	<u>1</u>	<u>1</u>
2 Tangible assets		Other fixtures and fittings, tools and equipment <u>DKK</u>
Cost at 1 January		<u>22.498</u>
Cost at 31 December		<u>22.498</u>
Impairment losses and depreciation at 1 January		12.499
Depreciation for the year		<u>7.499</u>
Impairment losses and depreciation at 31 December		<u>19.998</u>
Carrying amount at 31 December		<u>2.500</u>
	2021 <u>DKK</u>	2020 <u>DKK</u>
3 Investments in subsidiaries		
Cost at 1 January	<u>178.967</u>	<u>178.967</u>
Cost at 31 December	<u>178.967</u>	<u>178.967</u>

Notes

	2021	2020
	DKK	DKK
3 Investments in subsidiaries (continued)		
Revaluations at 1 January	83.842.710	53.606.458
Exchange rate adjustment	-856.942	-4.955.428
Profit for the year	36.526.421	42.227.940
Received dividends	-21.995.051	-7.036.260
Revaluations at 31 December	<u>97.517.138</u>	<u>83.842.710</u>
Carrying amount at 31 December	<u>97.696.105</u>	<u>84.021.677</u>

4 Contingent liabilities

The company is jointly taxed with its parent company, Hovmarksvej Holding ApS (management company), and has limited and secondary liability together with other jointly taxed entities for payment of income taxes, withholding taxes on dividends, interest and royalties which fall due for payment.

5 Mortgages and collateral

As security for subsidiaries bank debt, the parent company has pledged the shares in the subsidiary. The carrying amount of the pledged assets totals T.DKK 97.696.

6 Related parties and ownership structure

Consolidated annual group report

The Company is included in the consolidated group annual report for the parent company, Hovmarksvej Holding ApS.

Accounting policies

The annual report of Phoebe 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.

Pursuant to sections §110 subsection 1, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

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

Revenue

Income from the sales is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Other external costs

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

Accounting policies

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, unrealised capital/exchange gains and losses on foreign currency transactions, surcharges and allowances under the advance-payment-of-tax 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.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3 years
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Accounting policies

Investments in subsidiaries

Investments in subsidiaries 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.

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.

The company and all its Danish group entities are taxed on a joint basis. The current income tax charge is allocated between the jointly taxed entities relative to their taxable income. Tax losses are allocated based on the full absorption method. The jointly taxed entities are eligible for the Danish Tax Prepayment Scheme.

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

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Accounting policies

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'.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.