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Zoku Copenhagen ApS

Amagerfælledvej 108, 2300 Copenhagen

Company reg. no. 39 48 38 23

Annual report

1 January - 31 December 2022

The annual report was submitted and approved by the general meeting on the 6 July 2023.

Johannes Meyer
Chairman of the meeting

Notes:
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Contents

Management's statement

Today, the executive board has presented the annual report of Zoku Copenhagen ApS for the financial year 1 January - 31 December 2022.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2022 and of the company's results of activities in the financial year 1 January – 31 December 2022.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved at the Annual General Meeting.

Copenhagen, 6 July 2023

Executive board

Marc Jan Christian Jongerius	Johannes Meyer

Independent auditor's report

To the Shareholders of Zoku Copenhagen ApS

Auditor's report on the Financial Statements

Opinion

We have audited the financial statements of Zoku Copenhagen ApS for the financial year 1 January - 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. 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 financial position of 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.

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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable 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.

Material Uncertainty Related to Going Concern

Without modifying our opinion, we refer to the information in the note 1 in the financial statements, where the management has explained the preconditions for presenting the annual accounts with continued operations in mind. We have not found a basis for making a different assessment than the management, but highlight the uncertainty associated with the company's continued operations.

Ohter Matter - Scope of the Audit

Effective as from the current financial year, Zoku Copenhagen ApS is subject to audit obligations. We must emphasize, as it also appears from the annual accounts, that no audit of the comparative figures in the annual accounts has been carried out.

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 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.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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.

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 Statement Act. We did not identify any material misstatement of Management’s Review.

Violation of the Accounting Act

The company has not complied with the bookkeeping legislation's requirement that the bookkeeping must be organized and carried out taking into account the company's complexity, the number of transactions and the financial scope of the transactions.

The company's management may be held liable for the breach of accounting legislation.

Copenhagen V, 6 July 2023

RSM Denmark
Statsautoriseret Revisionspartnerselskab
Company reg. no. 25 49 21 45

Peter Arent Benkjer
State Authorised Public Accountant
mne35785

Company information

The company	Zoku Copenhagen ApS Amagerfælledvej 108 2300 Copenhagen	
	Company reg. no.	39 48 38 23
	Financial year:	1 January - 31 December 5th financial year
Executive board	Marc Jan Christian Jongerius, Willemsparkweg 190H, Amsterdam Johannes Meyer, Oosteinde 26	
Auditors	RSM Denmark Statsautoriseret Revisionspartnerselskab Ved Vesterport 6, 5. sal 1612 København V	
Parent company	Zoku and Beyond B.V	

The principal activities of the company

The purpose of the company is to operate as a hotel-, restaurant-, meeting and eventcompany and other business related to it.

Development in activities and financial matters

The gross profit for the year totals DKK 18.070.311 against DKK -2.351.009 last year. Income or loss from ordinary activities after tax totals DKK 4.305.415 against DKK -10.010.823 last year. Management considers the net profit for the year satisfactory.

The company has lost more than 50 % of its share capital and, as a result, the company is subject to the capital loss rules of the Danish Companies Act

During the financial year, the company realized a small profit, and expect to increase their profit in the following years. The company has received a letter of support from the parent company, who will step back for other creditors and consider helping to ensure that sufficient financial resources are available in the company, to cover ongoing operations, if necessary.

Management expects the financial support to be in glace and therefor the annual report is prepared in accordance with the principles of going concern.

Further, the management expects to reestablish equity through normal business and potentially contributions from parent company.

Events occurring after the end of the financial year

No events have occurred after the end of the financial year that could significantly upset the company's financial position.

The annual report for Zoku Copenhagen ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Income statement

Gross profit

Gross profit comprises the revenue and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts.

Other external costs comprise costs incurred for sales, advertising, administration.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Property, plant, and equipment

Other property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Plant and machinery	5-10 years
Other fixtures and fittings, tools and equipment	3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Property, plant, and equipment in progress

Property, plant, and equipment in progress are measured and recognised as the total costs incurred. When the work has been completed, the total value is transferred to the relevant item under property, plant, and equipment and is amortised from the date of entry into service.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Income statement 1 January - 31 December

All amounts in DKK.

Note		2022	2021 (Not audited)
	Gross profit	**18.070.311**	**-2.351.009**
2	Staff costs	-10.832.640	-5.308.174
	Depreciation and impairment of property, land, and equipment	-602.307	-1.447.515
	Other financial income	0	885
3	Other financial expenses	-2.067.618	-905.010
	Pre-tax net profit or loss	**4.567.746**	**-10.010.823**
	Tax on net profit or loss for the year	-262.331	0
	Net profit or loss for the year	**4.305.415**	**-10.010.823**
	Proposed distribution of net profit:		
	Transferred to retained earnings	4.305.415	0
	Allocated from retained earnings	0	-10.010.823
	Total allocations and transfers	**4.305.415**	**-10.010.823**

Balance sheet at 31 December

All amounts in DKK.

Note	Assets	2022	2021
			(Not audited)
	Non-current assets		
4	Property, plant, and equipment under construction including pre-payments for property, plant, and equipment	5.790.711	6.388.866
	Total property, plant, and equipment	5.790.711	6.388.866
	Total non-current assets	**5.790.711**	**6.388.866**
	Current assets		
	Raw materials and consumables	127.096	147.765
	Total inventories	127.096	147.765
	Trade debtors	1.481.523	2.546.639
	Other receivables	3.663.182	0
	Prepayments	1.776.062	0
	Total receivables	6.920.767	2.546.639
	Cash and cash equivalents	12.259.939	6.243.455
	Total current assets	**19.307.802**	**8.937.859**
	Total assets	**25.098.513**	**15.326.725**

Balance sheet at 31 December

All amounts in DKK.

Note	Equity and liabilities	2022	2021 (Not audited)
	Equity		
	Contributed capital	50.000	50.000
	Retained earnings	-6.357.218	-10.662.632
	Total equity	**-6.307.218**	**-10.612.632**
	Provisions		
	Provisions for deferred tax	262.331	0
	Total provisions	**262.331**	**0**
	Liabilities other than provisions		
	Payables to group enterprises	15.515.750	16.016.295
	Total long term liabilities other than provisions	15.515.750	16.016.295
	Bank debts	200.806	511
	Trade payables	14.212.661	6.081.291
	Payables to group enterprises	12.017	1.098.174
	Other payables	1.202.166	2.743.086
	Total short term liabilities other than provisions	15.627.650	9.923.062
	Total liabilities other than provisions	**31.143.400**	**25.939.357**
	Total equity and liabilities	**25.098.513**	**15.326.725**

1 Uncertainties concerning the enterprise's ability to continue as a going concern

5 Contingencies

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Total
Equity 1 January 2021	50.000	-651.809	-601.809
Profit or loss for the year brought forward	0	-10.010.823	-10.010.823
Equity 1 January 2022	50.000	-10.662.632	-10.612.632
Profit or loss for the year brought forward	0	4.305.414	4.305.414
	50.000	**-6.357.218**	**-6.307.218**

Notes

All amounts in DKK.

1. Uncertainties concerning the enterprise's ability to continue as a going concern

The company has lost more than 50 % of its share capital and, as a result, the company is subject to the capital loss rules of the Danish Companies Act.

During the financial year, the company realized a small profit, and expect to increase their profit in the following years. The company has received a letter of support from the parent company, who will step back for other creditors and consider helping to ensure that sufficient financial resources are available in the company, to cover ongoing operations, if necessary.

Management expects the financial support to be in place and therefor the annual report is prepared in accordance with the principles of going concern.

Further, the management expects to reestablish equity through normal business and potentially contributions from parent company.

2. Staff costs

Salaries and wages	10.505.772	5.158.115
Pension costs	262.871	110.460
Other costs for social security	63.997	39.599
	10.832.640	**5.308.174**
Average number of employees	19	12

3. Other financial expenses

Interest, group enterprises	621.522	510.061
Other interest	1.562	1.241
Rabobank interest and charges	0	87
Cash in transit	10.613	7.767
Creditcard fees	921.850	332.771
Interest landlord	505.961	0
Exchange differences	6.110	53.083
	2.067.618	**905.010**

All amounts in DKK.

4. Property, plant, and equipment under construction including pre-payments for property, plant, and equipment

Cost 1 January 2022	7.836.381	4.244.296
Additions during the year	69.426	3.592.085
Disposals during the year	-65.274	0
Cost 31 December 2022	**7.840.533**	**7.836.381**
Depreciation and writedown 1 January 2022	-1.447.515	0
Depreciation for the year	-602.307	-1.447.515
Depreciation and writedown 31 December 2022	**-2.049.822**	**-1.447.515**
Carrying amount, 31 December 2022	**5.790.711**	**6.388.866**

5. Contingencies

Contingent liabilities

Lease liabilities

The company has entered into rent lease with the highest of a fixed monthly rent of 14.116.000 DKK, and a variable monthly rent of 33% of gross room revenue and 9% of all other revenues capped at 19.412 TDKK per annum. To allow for operational build-up, the company receives in the first two years a total rent discount of 8.806 TDKK. The total deferred rent per 31.12.2022 is 8.506 TDKK. The lease is interminable until December 2045.