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HUONE Copenhagen ApS

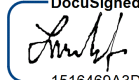
Amager Strandvej 390, st, 2770 Kastrup

Company reg. no. 39 89 40 92

Annual report

1 July 2020 - 30 June 2021

The annual report was submitted and approved by the general meeting on the 15 November 2021.

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Louise Mathilde Adolph
Chairman of the meeting

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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 %.

Management's report

Today, the board of directors and the managing director have presented the annual report of HUONE Copenhagen ApS for the financial year 1 July 2020 - 30 June 2021.

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 30 June 2021 and of the company's results of activities in the financial year 1 July 2020 – 30 June 2021.

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 by the general meeting.

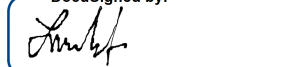
Kastrup, 15 November 2021

Managing Director

Louise Mathilde Adolph

Board of directors

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32E7071BE27B4AC
Evon Söderlund - Blomstedt

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Louise Mathilde Adolph

Independent auditor's report

To the shareholder of HUONE Copenhagen ApS

Opinion

We have audited the financial statements of HUONE Copenhagen ApS for the financial year 1 July 2020 - 30 June 2021, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 30 June 2021 and of the results of the company's activities for the financial year 1 July 2020 - 30 June 2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainties concerning the company's ability to continue as a going concern

It should be noted that a material uncertainty exists which may cast significant doubt on the Company's ability to continue as a going concern. We refer to note 1 to the Financial Statements disclosing that, this year, the company has obtained agreement with lessor concerning new lease terms including material postponement of lease payments as well as the Group has obtained agreements with banks and other main suppliers regarding financial support to the Group including capital injection in the parent company from the Shareholders of the parent company. The company has also received a letter of support from the parent company. Based on this, the budgets and forecasts of the Group as well as the company shows, that the Group and the company most likely will be able to meet its financial obligations. Accordingly, the Financial Statements have been prepared on the assumption of the Company continuing as a going concern.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

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 including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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 international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment 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 the 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 preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a fair view.

Independent auditor's report

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 the internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Copenhagen, 15 November 2021

Grant Thornton

State Authorised Public Accountants
Company reg. no. 34 20 99 36



Brian Rasmussen

State Authorised Public Accountant
mnc30153

Company information

The company	HUONE Copenhagen ApS Amager Strandvej 390, st 2770 Kastrup
	Company reg. no. 39 89 40 92 Established: 18 September 2018 Financial year: 1 July - 30 June
Board of directors	Evon Söderlund Louise Mathilde Adolph
Managing Director	Louise Mathilde Adolph
Auditors	Grant Thornton, Statsautoriseret Revisionspartnerselskab Stockholmsgade 45 2100 København Ø
Parent company	HUONE International Oy

Management commentary

The principal activities of the company

Like previous years, the principal activities are to operate meeting and event platforms and related services.

Development in activities and financial matters

The gross loss for the year totals DKK -4.520.274 against DKK -5.334.570 last year. Income or loss from ordinary activities after tax totals DKK -7.827.852 against DKK -11.842.157 last year. Management considers the net profit or loss for the year less satisfactory, however also address that the main reason for the negative result is due to the COVID-19 pandemic, which has a material negative affect on the business of the company.

During the financial year, an agreement has been entered into with the lessor of the company's conference facilities that results in significant postponements of the company's lease payments. The agreement has been entered into due to the company being significantly negatively affected by the COVID-19 pandemic, which has made it difficult for the company to comply with obligations to pay lease according to the company's lease contract. As a result, new lease terms have been entered into in collaboration with the lessor for future lease conditions, including lease payments.

Capital resources

The company has lost more than 50% of the company's capital, and as a consequence is covered by section 119 of the Danish Companies Act. We refer to note 1 to the Financial Statements disclosing that, this year, the company has entered into new agreement with the lessor of the company's conference facilities just as the company has received a support letter from the parent company. Thus, the Financial Statements is prepared on the assumption of the Company continuing as a going concern.

Accounting policies

The annual report for HUONE 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.

Income statement

Gross loss

Gross loss comprises the revenue, changes in inventories of finished goods, other operating income, 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. Recognition of revenue is 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 and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

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

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, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Accounting policies

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

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.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

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
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.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Leases

All other leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Accounting policies

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in group enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Investments

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

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.

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost which usually corresponds to face 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.

Accounting policies

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.

Accruals and deferred income

Payments received concerning future income are recognised under accruals and deferred income.

Income statement 1 July - 30 June

All amounts in DKK.

<u>Note</u>	<u>2020/21</u>	<u>2019/20</u>
Gross loss	-4.520.274	-5.334.570
3 Staff costs	-2.787.365	-5.988.015
Depreciation and impairment of property, land, and equipment	-557.011	-480.570
Operating profit	-7.864.650	-11.803.155
Other financial income	51.201	0
4 Other financial costs	-14.403	-39.002
Pre-tax net profit or loss	-7.827.852	-11.842.157
Tax on net profit or loss for the year	0	0
Net profit or loss for the year	-7.827.852	-11.842.157
Proposed appropriation of net profit:		
Allocated from retained earnings	-7.827.852	-11.842.157
Total allocations and transfers	-7.827.852	-11.842.157

Statement of financial position at 30 June

All amounts in DKK.

Assets		
<u>Note</u>	<u>2021</u>	<u>2020</u>
Non-current assets		
5 Other fixtures and fittings, tools and equipment	1.593.679	2.150.690
Total property, plant, and equipment	<u>1.593.679</u>	<u>2.150.690</u>
6 Deposits	5.454.382	5.382.499
Total investments	<u>5.454.382</u>	<u>5.382.499</u>
Total non-current assets	<u>7.048.061</u>	<u>7.533.189</u>
Current assets		
Manufactured goods and goods for resale	52.079	78.011
Total inventories	<u>52.079</u>	<u>78.011</u>
Trade receivables	649.768	401.921
Other receivables	1.714.118	2.188.484
Prepayments and accrued income	546.028	104.537
Total receivables	<u>2.909.914</u>	<u>2.694.942</u>
Cash on hand and demand deposits	428.822	184.444
Total current assets	<u>3.390.815</u>	<u>2.957.397</u>
Total assets	<u>10.438.876</u>	<u>10.490.586</u>

Statement of financial position at 30 June

All amounts in DKK.

Equity and liabilities	2021	2020
<u>Note</u>	<u>2021</u>	<u>2020</u>
Equity		
Contributed capital	50.000	50.000
Retained earnings	-22.144.119	-14.316.267
Total equity	-22.094.119	-14.266.267
Liabilities other than provisions		
Trade payables	9.933.309	0
Payables to group enterprises	17.595.863	16.708.332
Other payables	448.252	416.683
7 Total long term liabilities other than provisions	<u>27.977.424</u>	<u>17.125.015</u>
7 Current portion of long term payables	1.444.868	0
Trade payables	636.757	4.861.003
Other payables	826.329	915.098
Accruals and deferred income	1.647.617	1.855.737
Total short term liabilities other than provisions	<u>4.555.571</u>	<u>7.631.838</u>
Total liabilities other than provisions	<u>32.532.995</u>	<u>24.756.853</u>
Total equity and liabilities	<u>10.438.876</u>	<u>10.490.586</u>
1 Uncertainties concerning the enterprise's ability to continue as a going concern		
2 Special items		
8 Contingencies		

Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 July 2019	50.000	-2.474.110	-2.424.110
Retained earnings for the year	<u>0</u>	<u>-11.842.157</u>	<u>-11.842.157</u>
Equity 1 July 2020	50.000	-14.316.267	-14.266.267
Retained earnings for the year	<u>0</u>	<u>-7.827.852</u>	<u>-7.827.852</u>
	<u>50.000</u>	<u>-22.144.119</u>	<u>-22.094.119</u>

Notes

All amounts in DKK.

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

The Company was founded in the financial year 2018/19, where the activity began. The Company's activities are, as also stated in the Financial Statements for 2019/20, strongly affected by the COVID-19 pandemic which has continued throughout most of the financial year. On 30 June 2021 the equity is negative by DKK 22,1 million. The Company therefore are highly depending on the Parent Company's continued support and has received a letter of support from the Parent Company "Huone International Oy". There is uncertainty about the parent company's ability to support the Company. The Group's equity is negative by EUR 4,3 million.

The Group's ability to continue as a going concern depends on the Group still obtaining financing and postponement of the repayment of the Group's bank loans. The Group has been able to obtain this during the Financial year 2020/21, by entering into new agreements, and also by further capital injection from the Shareholders of the Group. Negotiations has been made under an ongoing process with the Group's banks and the Management expects due to this, that the agreed debt restructuring during the financial year 2020/21 will provide the Group with sufficient liquidity to meet its current obligations.

During the financial year, an agreement has also been entered into with the lessor of the company's conference facilities, that results in significant postponements of the company's lease payments. The agreement has been made due to the company being significantly negatively affected by the COVID-19 pandemic, which has made it difficult for the company to comply with obligations to pay lease according to the company's lease contract. As a result, new lease terms have been entered into in collaboration with the lessor relating to future lease conditions, including lease payments.

However, there is still a material uncertainty due to the COVID-19 pandemic environment which may cast significant doubt on the Company's ability to continue as a going concern, particularly if the COVID-19 pandemic further accelerates. The Group's and company's current budget assumptions and forecasts based under the current COVID-19 situation shows, that the Group and the company under the agreed restructuring of the Group debt, the new agreement with the lessor of the Company's conference facilities and also the capital injection by the Shareholders of the Group during the financial year 2020/21, will enable the Group to continue as a going concern. Therefore, the Financial Statements has been prepared on the assumption of the Company continuing as a going concern.

Notes

All amounts in DKK.

2. Special items

Special items include significant income and expenses of a special nature relative to the enterprise's ordinary operating activities, such as the cost of extensive structuring of processes and fundamental structural adjustments, compensation in relation to COVID-19 and any related gains on disposal and losses which, over time, have a significant impact. Special items also include other significant amounts of a nonrecurring nature.

As mentioned in the management commentary, the net profit or loss for the year is affected by a number of factors that differ from what is considered by management to be part of operating activities.

Special items for the year are specified below, indicating where they are recognised in the income statement.

	<u>2020/21</u>
Income:	
Compensation in relation to COVID-19	<u>3.533.723</u>
	<u>3.533.723</u>
Special items are recognised in the following items in the financial statements:	
Gross loss	<u>3.533.723</u>
Profit of special items, net	<u>3.533.723</u>

3. Staff costs

	<u>2020/21</u>	<u>2019/20</u>
Salaries and wages	2.429.378	5.507.943
Pension costs	297.208	384.397
Other costs for social security	23.210	32.630
Other staff costs	<u>37.569</u>	<u>63.045</u>
	<u>2.787.365</u>	<u>5.988.015</u>
Average number of employees	<u>7</u>	<u>14</u>

Notes

All amounts in DKK.

	<u>2020/21</u>	<u>2019/20</u>		
4. Other financial costs				
Other financial costs	14.403	39.002		
	14.403	39.002		
5. Other fixtures and fittings, tools and equipment				
Cost 1 July 2020	2.631.260	2.079.684		
Additions during the year	0	551.576		
Cost 30 June 2021	2.631.260	2.631.260		
Depreciation and writedown 1 July 2020	-480.570	0		
Amortisation and depreciation for the year	-557.011	-480.570		
Depreciation and writedown 30 June 2021	-1.037.581	-480.570		
Carrying amount, 30 June 2021	1.593.679	2.150.690		
6. Deposits				
Cost 1 July 2020	5.382.499	5.366.456		
Additions during the year	88.528	16.043		
Disposals during the year	-16.645	0		
Cost 30 June 2021	5.454.382	5.382.499		
Carrying amount, 30 June 2021	5.454.382	5.382.499		
7. Liabilities other than provision				
	Total payables 30 Jun 2021	Current portion of long term payables	Long term payables 30 Jun 2021	Outstanding payables after 5 years
Trade payables	11.378.177	1.444.868	9.933.309	4.153.837
Payables to group enterprises	17.595.863	0	17.595.863	0
Other payables	448.252	0	448.252	0
	29.422.292	1.444.868	27.977.424	4.153.837

Notes

All amounts in DKK.

8. Contingencies

Contingent liabilities

	DKK in thousands
Lease liabilities	<u>81.550</u>
Total contingent liabilities	<u>81.550</u>