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HUONE Copenhagen ApS

Amager Strandvej 390, st, 2770 Kastrup

Company reg. no. 39 89 40 92

Annual report

1 July 2021 - 30 June 2022

The annual report was submitted and approved by the general meeting on the 22 November 2022.

DocuSigned by:

Evon Söderlund-Blomstedt

32E7071BE27B4AC

Evon Söderlund-Blomstedt
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 statement

Today, the Managing Director has approved the annual report of HUONE Copenhagen ApS for the financial year 1 July 2021 - 30 June 2022.

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

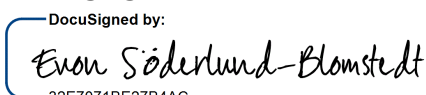
I consider the chosen accounting policy to be appropriate, and in my opinion, the financial statements give a true and fair view of the financial position of the Company at 30 June 2022 and of the results of the Company's operations for the financial year 1 July 2021 – 30 June 2022.

Further, in my opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

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

Kastrup, 22 November 2022

Managing Director

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Evon Söderlund-Blomstedt

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 2021 - 30 June 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 30 June 2022, and of the results of the Company's operations for the financial year 1 July 2021 - 30 June 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

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 the company has obtained agreement with lessor concerning lease terms including material postponement of lease payments as well as the Group has obtained agreements with banks and other main lenders regarding financial support to the Group. The company has also received a letter of support from the parent company including that DKK 17,5 million of intercompany loan has been converted to subordinated loan capital standing behind other creditors in the 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.

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.

Independent auditor's report

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.

Independent auditor's report

- 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.

Copenhagen, 22 November 2022

Grant Thornton

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

Brian Rasmussen

State Authorised Public Accountant
mne30153

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

Managing Director

Evon Söderlund-Blomstedt

Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Parent company

HUONE International Oy

Management's review

The principal activities of the company

Like previous years, the 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 -1.586.184 against DKK -4.520.274 last year. Income or loss from ordinary activities after tax totals DKK -8.130.175 against DKK -7.827.852 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.

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

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 subsidiaries 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.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

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

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

Accounting policies

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

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 July - 30 June

All amounts in DKK.

<u>Note</u>	<u>2021/22</u>	<u>2020/21</u>
Gross profit	-1.586.184	-4.520.274
3 Staff costs	-4.729.920	-2.787.365
Depreciation and impairment of property, land, and equipment	-544.507	-557.011
Operating profit	-6.860.611	-7.864.650
Other financial income	758	51.201
4 Other financial expenses	-1.270.322	-14.403
Pre-tax net profit or loss	-8.130.175	-7.827.852
Tax on net profit or loss for the year	0	0
Net profit or loss for the year	-8.130.175	-7.827.852
Proposed appropriation of net profit:		
Allocated from retained earnings	-8.130.175	-7.827.852
Total allocations and transfers	-8.130.175	-7.827.852

Balance sheet at 30 June

All amounts in DKK.

Assets		
<u>Note</u>	<u>2022</u>	<u>2021</u>
Non-current assets		
5 Other fixtures and fittings, tools and equipment	1.049.172	1.593.679
Total property, plant, and equipment	1.049.172	1.593.679
6 Deposits	5.589.010	5.454.382
Total investments	5.589.010	5.454.382
Total non-current assets	6.638.182	7.048.061
Current assets		
Manufactured goods and goods for resale	129.555	52.079
Total inventories	129.555	52.079
Trade receivables	1.446.169	649.768
Receivables from subsidiaries	232.787	0
Other receivables	81.104	1.714.118
Prepayments	376.356	546.028
Total receivables	2.136.416	2.909.914
Cash and cash equivalents	1.234.365	428.822
Total current assets	3.500.336	3.390.815
Total assets	10.138.518	10.438.876

Balance sheet at 30 June

All amounts in DKK.

Equity and liabilities	<u>2022</u>	<u>2021</u>
<u>Note</u>		
Equity		
Contributed capital	50.000	50.000
Retained earnings	-30.274.294	-22.144.119
Total equity	-30.224.294	-22.094.119
Liabilities other than provisions		
7 Subordinate loan capital	17.540.059	0
Trade payables	13.728.388	9.933.309
Payables to subsidiaries	0	17.595.863
Other payables	448.252	448.252
Deferred income	3.802.205	1.647.617
8 Total long term liabilities other than provisions	<u>35.518.904</u>	<u>29.625.041</u>
8 Current portion of long term liabilities	656.374	1.444.868
Trade payables	1.988.071	636.757
Other payables	2.199.463	826.329
Total short term liabilities other than provisions	<u>4.843.908</u>	<u>2.907.954</u>
Total liabilities other than provisions	<u>40.362.812</u>	<u>32.532.995</u>
Total equity and liabilities	<u>10.138.518</u>	<u>10.438.876</u>

1 Uncertainties concerning the enterprise's ability to continue as a going concern**2 Special items****9 Contingencies**

Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</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>
Equity 1 July 2021	50.000	-22.144.119	-22.094.119
Retained earnings for the year	<u>0</u>	<u>-8.130.175</u>	<u>-8.130.175</u>
	<u>50.000</u>	<u>-30.274.294</u>	<u>-30.224.294</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 the previous years, strongly affected by the COVID-19 pandemic which also effected partly during this financial year 2021/22. On 30 June 2022 the equity is negative by DKK 30,2 million. The Company are highly depending on the Parent Company's continued support and has received a letter of support from the Parent Company "Huone International Oy". The Parent Company has also converted the intercompany loan to subordinated loan capital standing behind other creditors in the company.

There is uncertainty about the parent company's ability to support the Company. The Group's equity is negative by EUR 6,2 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 loans. The Group has been able to obtain this by entering into new agreements, and also by conversion of some of the loans into further capital. The Parent Company is in the midst of raising a bridge round of EUR 300 thousand. Further the Parent Company aims to achieve a Series C Equity Round in Mid 2023 to continue funding its growth and expansion. Based on this the Management expects this will provide the Group with sufficient liquidity to meet its current obligations.

The Group's and company's current budget assumptions and forecasts based under the agreed restructuring of the Group debt 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.

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.

Notes

All amounts in DKK.

2. Special items (continued)

	<u>2021/22</u>	<u>2020/21</u>
Income:		
Compensation in relation to COVID-19	<u>1.430.821</u>	<u>3.533.723</u>
	<u>1.430.821</u>	<u>3.533.723</u>
Special items are recognised in the following items in the financial statements:		
Gross loss	<u>1.430.821</u>	<u>3.533.723</u>
Profit of special items, net	<u>1.430.821</u>	<u>3.533.723</u>

3. Staff costs

Salaries and wages	4.152.737	2.429.378
Pension costs	486.756	297.208
Other costs for social security	37.658	23.210
Other staff costs	<u>52.769</u>	<u>37.569</u>
	<u>4.729.920</u>	<u>2.787.365</u>
Average number of employees	<u>11</u>	<u>7</u>

4. Other financial expenses

Financial costs, group enterprises	1.227.804	0
Other financial costs	<u>42.518</u>	<u>14.403</u>
	<u>1.270.322</u>	<u>14.403</u>

Notes

All amounts in DKK.

	<u>30/6 2022</u>	<u>30/6 2021</u>		
5. Other fixtures and fittings, tools and equipment				
Cost 1 July 2021	2.631.260	2.631.260		
Cost 30 June 2022	<u>2.631.260</u>	<u>2.631.260</u>		
Depreciation and writedown 1 July 2021	-1.037.581	-480.570		
Amortisation and depreciation for the year	<u>-544.507</u>	<u>-557.011</u>		
Depreciation and writedown 30 June 2022	<u>-1.582.088</u>	<u>-1.037.581</u>		
Carrying amount, 30 June 2022	<u>1.049.172</u>	<u>1.593.679</u>		
6. Deposits				
Cost 1 July 2021	5.454.382	5.382.499		
Additions during the year	134.628	88.528		
Disposals during the year	<u>0</u>	<u>-16.645</u>		
Cost 30 June 2022	<u>5.589.010</u>	<u>5.454.382</u>		
Carrying amount, 30 June 2022	<u>5.589.010</u>	<u>5.454.382</u>		
7. Subordinate loan capital				
The company's parent company has granted a subordinated loan to the company for a total of DKK 17,5 million. The loan is repaid over 10 years starting in July 2023 and bears interest at 7% annually.				
8. Long term liabilities other than provisions				
	<u>Total payables 30 Jun 2022</u>	<u>Current portion of long term payables</u>	<u>Long term payables 30 Jun 2022</u>	<u>Outstanding payables after 5 years</u>
Subordinate loan capital	17.540.059	0	17.540.059	10.524.035
Trade payables	13.728.388	0	13.728.388	9.403.419
Other payables	448.252	0	448.252	0
Deferred income	<u>4.458.579</u>	<u>656.374</u>	<u>3.802.205</u>	<u>2.283.781</u>
	<u>36.175.278</u>	<u>656.374</u>	<u>35.518.904</u>	<u>22.211.235</u>

Notes

All amounts in DKK.

9. Contingencies

Contingent liabilities

	DKK in thousands
Total contingent liabilities	<u>159.085</u>

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"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Brian Rasmussen

Statsautoriseret revisor

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