

DENZAI Denmark A/S

Inge Lehmanns Gade 10, 6., 8000 Aarhus C

Company reg. no. 40 94 90 97

Annual report

1 January - 31 December 2021

The annual report was submitted and approved by the general meeting on the 9 August 2022.

Kohki Uemura
Chairman of the meeting

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Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that EUR 146.940 corresponds to the English amount of EUR 146,940, and that 23,5 % corresponds to 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of DENZAI Denmark A/S for the financial year 1 January - 31 December 2021.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

The Board of Directors and the Managing Director consider the conditions for audit exemption of the 2021 financial statements to be met.

Further, in our 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.

Aarhus C, 9 August 2022

Managing Director

Kohki Uemura

Board of directors

Kohki Uemura

Nomura Takashi

Nobuhiro Kumagai

Practitioner's compilation report

To the Shareholders of DENZAI Denmark A/S

We have compiled the financial statements of DENZAI Denmark A/S for the financial year 1 January - 31 December 2021 based on the company's bookkeeping and on information you have provided.

These financial statements comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies,.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist Management in the preparation and presentation of these financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant requirements under the Danish Act on Approved Auditors and Audit Firms and International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 9 August 2022

BUUS JENSEN

State Authorised Public Accountants
Company reg. no. 16 11 90 40

Michael Markussen

State Authorised Public Accountant
mne34295

Company information

The company

DENZAI Denmark A/S
Inge Lehmanns Gade 10, 6.
8000 Aarhus C

Company reg. no. 40 94 90 97
Established: 13 November 2019
Domicile: Aarhus, Denmark
Financial year: 1 January - 31 December

Board of directors

Kohki Uemura
Nomura Takashi
Nobuhiro Kumagai

Managing Director

Kohki Uemura

Auditors

BUUS JENSEN, Statsautoriserede revisorer

Parent company

Denzai International Pte. Ltd.

Management's review

The principal activities of the company

The principal activities of the company are advisory services for the Denzai Group.

Development in activities and financial matters

The gross loss for the year totals EUR -17.421 against EUR 47.950 last year. Income or loss from ordinary activities after tax totals EUR -57.056 against EUR -76 last year. Management considers the net profit or loss for the year as expected.

As the equity represents less than half of the subscribed capital, the Company is subject to the Danish Companies Act section 119 regarding loss of capital. Management expects to recover the capital by being profitable in the coming years.

Income statement

All amounts in EUR.

<u>Note</u>	1/1 2021 - 31/12 2021	13/11 2019 - 31/12 2020
Gross loss	-17.421	47.950
1 Staff costs	-39.211	-47.190
Other financial income	22	0
2 Other financial expenses	-446	0
Pre-tax net profit or loss	-57.056	760
3 Tax on net profit or loss for the year	0	-836
Net profit or loss for the year	-57.056	-76
Proposed appropriation of net profit:		
Allocated from retained earnings	-57.056	-76
Total allocations and transfers	-57.056	-76

Balance sheet at 31 December

All amounts in EUR.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Assets		
Current assets		
Receivables from group enterprises	34.150	80.490
Other receivables	4.577	58.690
Total receivables	<u>38.727</u>	<u>139.180</u>
Cash and cash equivalents	<u>188.989</u>	<u>0</u>
Total current assets	<u>227.716</u>	<u>139.180</u>
Total assets	<u>227.716</u>	<u>139.180</u>

Balance sheet at 31 December

All amounts in EUR.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Equity and liabilities		
Equity		
Contributed capital	53.768	53.768
Retained earnings	-57.132	-76
Total equity	-3.364	53.692
 Long term liabilities other than provisions		
Trade payables	10.213	7.700
Payables to group enterprises	215.754	72.036
Income tax payable	836	836
Other payables	4.277	4.916
Total short term liabilities other than provisions	231.080	85.488
Total liabilities other than provisions	231.080	85.488
 Total equity and liabilities	 227.716	 139.180

4 Contingencies

Statement of changes in equity

All amounts in EUR.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 13 November 2019	53.768	0	53.768
Retained earnings for the year	<u>0</u>	<u>-76</u>	<u>-76</u>
Equity 1 January 2021	53.768	-76	53.692
Retained earnings for the year	<u>0</u>	<u>-57.056</u>	<u>-57.056</u>
	<u>53.768</u>	<u>-57.132</u>	<u>-3.364</u>

Notes

All amounts in EUR.

	1/1 2021 - 31/12 2021	13/11 2019 - 31/12 2020
1. Staff costs		
Salaries and wages	<u>39.211</u>	<u>47.190</u>
	<u>39.211</u>	<u>47.190</u>
Average number of employees	<u>1</u>	<u>1</u>
2. Other financial expenses		
Other financial costs	<u>446</u>	<u>0</u>
	<u>446</u>	<u>0</u>
3. Tax on net profit or loss for the year		
Tax on net profit or loss for the year	<u>0</u>	<u>836</u>
	<u>0</u>	<u>836</u>
4. Contingencies		
Contingent liabilities		
Total contingent liabilities		<u>t.kr.</u> <u>4</u>

Accounting policies

The annual report for DENZAI Denmark A/S 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 the previous year, and the annual report is presented in euro (EUR).

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.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

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.

Income statement

Gross loss

Gross loss comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

Revenue comprises the value of services provided during the year, including outlay for customers less VAT and price concessions directly associated with the sale.

Revenue is recognised in the income statement on the completion of sales. This is generally considered to be the case when:

- The service has been provided before the end of the financial year
- A binding sales agreement exists

Accounting policies

- The sales price has been determined
- Payment has been received, or is anticipated with a reasonable degree of certainty.

This ensures that recognition does not take place until the total income and costs and stage of completion at the reporting date can be reliably validated and it seems probable that the economic benefits, including payments, will flow to the enterprise.

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

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.

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.

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

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounting policies

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

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.