
Avallone ApS

Dampfærgevej 27, 5., DK-2100 København Ø

Annual Report for 1 January - 31 December 2021

CVR No 41 14 65 67

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
27/6 2022

Anderes Meinert Jørgensen
Chairman of the General
Meeting



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Avallone ApS for the financial year 1 January - 31 December 2021.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Company and of the results of the Company operations for 2021.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 27 June 2022

Executive Board

Anders Meinert Jørgensen
Executive Officer

Board of Directors

Martin Albertsen

Anders Meinert Jørgensen

Kasper Kiilsholm Ottesen

Richard Breiter

Independent Auditor's Report

To the Shareholders of Avallone ApS

Opinion

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 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Avallone ApS for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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.

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 Financials Statements Act.

Independent Auditor's Report

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncer-

Independent Auditor's Report

tainty 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.

Hellerup, 27 June 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Niels Henrik B. Mikkelsen

statsautoriseret revisor

mne16675

Company Information

The Company

Avallone ApS
Dampfærgevej 27, 5.
DK-2100 København Ø

CVR No: 41 14 65 67
Financial period: 1 January - 31 December
Incorporated: 3 February 2020
Municipality of reg. office: København

Board of Directors

Martin Albertsen
Anders Meinert Jørgensen
Kasper Kilsholm Ottesen
Richard Breiter

Executive Board

Anders Meinert Jørgensen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Key activities

The company's purpose is to conduct business with trade and service as well as activities related to it.

Development in the year

The income statement of the Company for 2021 shows a loss of DKK 11,032,775, and at 31 December 2021 the balance sheet of the Company shows negative equity of DKK 9,868,616.

Capital resources

The company has lost more than 50 % of the share capital and are therefore covered by the Danish Companies Act for capital resources, please refer to note 1.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	2021 DKK	2020 DKK
Gross profit/loss		-3.599.971	-768.816
Staff expenses	2	<u>-7.729.358</u>	<u>-1.659.330</u>
Profit/loss before financial income and expenses		-11.329.329	-2.428.146
Financial income		1.124	0
Financial expenses	3	<u>-728.838</u>	<u>-138.238</u>
Profit/loss before tax		-12.057.043	-2.566.384
Tax on profit/loss for the year		<u>1.024.268</u>	<u>303.167</u>
Net profit/loss for the year		<u>-11.032.775</u>	<u>-2.263.217</u>

Distribution of profit

Proposed distribution of profit

Retained earnings		<u>-11.032.775</u>	<u>-2.263.217</u>
		<u>-11.032.775</u>	<u>-2.263.217</u>

Balance Sheet 31 December

Assets

	Note	2021 DKK	2020 DKK
Investments in subsidiaries	4	18.622	0
Fixed asset investments		18.622	0
Fixed assets		18.622	0
Other receivables		548.298	94.500
Corporation tax		1.024.268	303.167
Prepayments		332.638	103.987
Receivables		1.905.204	501.654
Cash at bank and in hand		12.889.131	8.560.238
Currents assets		14.794.335	9.061.892
Assets		14.812.957	9.061.892

Balance Sheet 31 December

Liabilities and equity

	Note	2021 DKK	2020 DKK
Share capital		183.601	183.601
Retained earnings		-10.052.217	980.558
Equity		-9.868.616	1.164.159
Convertible and profit-yielding instruments of debt		22.644.053	6.782.669
Long-term debt		22.644.053	6.782.669
Trade payables		473.594	244.030
Payables to owners and Management		293.237	192.532
Other payables		727.629	625.132
Deferred income		543.060	53.370
Short-term debt		2.037.520	1.115.064
Debt		24.681.573	7.897.733
Liabilities and equity		14.812.957	9.061.892
Going concern	1		
Accounting Policies	5		

Statement of Changes in Equity

	<u>Share capital</u> DKK	<u>Retained earnings</u> DKK	<u>Total</u> DKK
Equity at 1 January	183.601	980.558	1.164.159
Net profit/loss for the year	0	-11.032.775	-11.032.775
Equity at 31 December	183.601	-10.052.217	-9.868.616

Notes to the Financial Statements

1 Going concern

The company has lost more than 50 % of the share capital and are therefore covered by the Danish Companies Act for capital resources.

The annual report is presented in the presumption of going concern. The management of the company expects the level of activity to be strengthened which gives a strong basis for the future growth.

After receiving the convertible loans in the 2021 fiscal year the management consider the capital resources sufficient for the company.

	<u>2021</u> DKK	<u>2020</u> DKK
2 Staff expenses		
Wages and salaries	7.513.917	1.633.919
Other social security expenses	27.454	6.311
Other staff expenses	<u>187.987</u>	<u>19.100</u>
	<u>7.729.358</u>	<u>1.659.330</u>
Average number of employees	<u>8</u>	<u>3</u>
3 Financial expenses		
Other financial expenses	722.422	136.967
Exchange adjustments, expenses	<u>6.416</u>	<u>1.271</u>
	<u>728.838</u>	<u>138.238</u>

Notes to the Financial Statements

	2021 DKK	2020 DKK
4 Investments in subsidiaries		
Cost at 1 January	0	0
Additions for the year	18.622	0
Cost at 31 December	18.622	0
Value adjustments at 1 January	0	0
Value adjustments at 31 December	0	0
Carrying amount at 31 December	18.622	0

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
UAB Avallone Lithuania	Vilnius, Gyneju	2.500 EUR	100%

Notes to the Financial Statements

5 Accounting Policies

The Annual Report of Avallone ApS for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2021 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Notes to the Financial Statements

5 Accounting Policies (continued)

Income Statement

Revenue

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Cost of sales

Cost of sales comprise the cost consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, cost of sales and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Notes to the Financial Statements

5 Accounting Policies (continued)

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance Sheet

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Financial debts

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.