

ZKG Investments ApS

Arne Poulsens Vej 10, st.tv, 7100 Vejle

Annual report

26 May - 31 December 2020

Company reg. no. 41 38 55 61

The annual report was submitted and approved by the general meeting on the 9 July 2021.

Krzysztof Pawel Gawrys
Chairman of the meeting

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 British English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

Contents

Page

Reports

- 1 Management's report
- 2 Auditor's report on compilation of the financial statements

Management commentary

- 3 Company information
- 4 Management commentary

Financial statements 26 May - 31 December 2020

- 5 Accounting policies
- 9 Income statement
- 10 Statement of financial position
- 12 Notes

Management's report

Today, the managing director has presented the annual report of ZKG Investments ApS for the financial year 26 May - 31 December 2020.

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

I consider the accounting policies appropriate and, in my opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the company's results of activities in the financial year 26 May - 31 December 2020.

The managing director consider the conditions for audit exemption of the 2020 financial statements to be met.

I am 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.

Vejle, 9 July 2021

Managing Director

Krzysztof Pawel Gawrys

Auditor's report on compilation of the financial statements

To the shareholder of ZKG Investments ApS

We have compiled the financial statements of ZKG Investments ApS for the financial year 26 May - 31 December 2020 based on the company's bookkeeping and on further information provided by you.

The financial statements comprise the accounting policies, income statement, statement of financial position and notes.

We performed this engagement in accordance with the international standard ISRS 4410 applying to compilation engagements.

We have applied our professional expertise to assist you in the preparation and presentation of the financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant requirements of the Danish Act on Approved Auditors and Audit Firms and with ethical requirements of the Danish Institute of State Authorised Public Accountants, including principles of integrity, objectivity, professional competence and due care.

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

As 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 in order to compile the financial statements. Accordingly, we express neither an audit opinion nor a review opinion as to whether the financial statements have been compiled in accordance with the Danish Financial Statements Act.

Vejle, 9 July 2021

Martinsen

State Authorised Public Accountants
Company reg. no. 32 28 52 01

Jakob Olsen

State Authorised Public Accountant
mne46636

Company information

The company

ZKG Investments ApS
Arne Poulsens Vej 10, st.tv
7100 Vejle

Company reg. no. 41 38 55 61

Financial year: 26 May 2020 - 31 December 2020

Managing Director

Krzysztof Pawel Gawrys

Auditors

Martinsen
Statsautoriseret Revisionspartnerselskab
Dandyvej 3 B
7100 Vejle

Management commentary

The principal activities of the company

The principal activity of the company are trading, renovation and building of properties, estate rental and any other activities related thereto.

Development in activities and financial matters

The gross profit for the year totals DKK 60.175. Income or loss from ordinary activities after tax totals DKK 40.721. Management considers the net profit or loss for the year satisfactory.

Accounting policies

The annual report for ZKG Investments ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises.

The annual report is presented in DKK. The annual report comprises the first financial year and hence comparative figures are not available.

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 profit

Gross profit comprises the revenue, cost concerning investment properties, and external costs.

The enterprise will be applying IAS 18 as its basis of interpretation for the recognition of revenue.

Lease income comprises income from the lease of property and from overhead costs collected and is recognised in the income statement for the period relating to the lease payment. Income from the heating account is recognised in the statement of financial position as a balance with lessees.

Accounting policies

Costs concerning investment properties comprise operating costs, repair and maintenance costs, taxes, charges, and other costs. Costs concerning the heating accounts are recognised in the statement of financial position as a balance with lessees.

Other external costs comprise costs incurred for administration.

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.

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. Land is not subject to depreciation.

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
Buildings	40 years

Accounting policies

Impairment loss relating to non-current assets

The carrying amount tangible fixed assets 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.

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.

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.

Accounting policies

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

Liabilities other than provisions relating to investment properties are measured at amortised cost.

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

All amounts in DKK.

<u>Note</u>	26/5 2020 - 31/12 2020
Gross profit	60.175
Depreciation and impairment of property, land, and equipment	-5.034
Operating profit	55.141
Other financial costs	-2.961
Pre-tax net profit or loss	52.180
Tax on net profit or loss for the year	-11.459
Net profit or loss for the year	40.721
 Proposed appropriation of net profit:	
Transferred to retained earnings	40.721
Total allocations and transfers	40.721

Statement of financial position

All amounts in DKK.

Assets	31/12 2020
<u>Note</u>	<u></u>
Non-current assets	
Property	<u>1.389.540</u>
Total property, plant, and equipment	<u>1.389.540</u>
Total non-current assets	<u>1.389.540</u>
Current assets	
Other receivables	<u>93.792</u>
Total receivables	<u>93.792</u>
Cash on hand and demand deposits	<u>79.200</u>
Total current assets	<u>172.992</u>
Total assets	<u>1.562.532</u>

Statement of financial position

All amounts in DKK.

<u>Note</u>	<u>31/12 2020</u>
Equity and liabilities	
Equity	
Contributed capital	40.000
Retained earnings	40.721
Total equity	80.721
 Provisions	
Provisions for deferred tax	2.219
Total provisions	2.219
 Liabilities other than provisions	
1 Current portion of long term payables	584.465
Trade creditors	16.000
Payables to shareholders and management	686.638
Income tax payable	9.240
Other payables	183.249
Total short term liabilities other than provisions	1.479.592
 Total liabilities other than provisions	 1.479.592
 Total equity and liabilities	 1.562.532

2 Charges and security

Notes

All amounts in DKK.

1. Liabilities other than provision

	Total payables 31 Dec 2020	Current portion of long term payables	Long term payables 31 Dec 2020	Outstanding payables after 5 years
Mortgage loans	584.465	584.465	0	0
	584.465	584.465	0	0

2. Charges and security

As collateral for mortgage loans, DKK 584.465, security has been granted on land and buildings representing a carrying amount of DKK 1.389.540 at 31 December 2020.