

HB 2021 ApS

Amaliegade 10, 1256 København K

CVR no. 41 90 42 24

**Annual report for the period
1 December 2020 to 31 December 2021**

Adopted at the annual general meeting on 11 July
2022

Christian Kwok-Leun Yau Heilesen
chairman



Table of contents

	Page
Statements	
Statement by management on the annual report	1
Independent auditor's report	2
Management's review	
Company details	5
Management's review	6
Financial statements	
Income statement 1 December - 31 December	7
Balance sheet 31 December	8
Statement of changes in equity	10
Notes	11
Accounting policies	12

Statement by management on the annual report

The executive board has today discussed and approved the annual report of HB 2021 ApS for the financial year 1 December 2020 - 31 December 2021.

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

In my opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2021 and of the results of the company's operations for the financial year 1 December 2020 - 31 December 2021.

In my opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 11 July 2022

Executive board

Christian Kwok-Leun Yau Heilesen

Independent auditor's report

To the shareholder of HB 2021 ApS

Opinion

We have audited the financial statements of HB 2021 ApS for the financial year 1 December 2020 - 31 December 2021, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. 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 company's financial position at 31 December 2021 and of the results of the company's operations for the financial year 1 December 2020 - 31 December 2021 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 the 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.

Independent auditor's report

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 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.
- 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.

Independent auditor's report

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 Statements Act. We did not identify any material misstatement of management's review.

Copenhagen, 11 July 2022

Baker Tilly Denmark

Godkendt Revisionspartnerselskab
CVR no. 35 25 76 91

Helle Brandt Møller
statsautoriseret revisor
MNE no. mne34481

Company details

The company	HB 2021 ApS Amaliegade 10 1256 København K CVR no.: 41 90 42 24 Reporting period: 1 December 2020 - 31 December 2021 Incorporated: 1 December 2020 Domicile: Copenhagen
Executive board	Christian Kwok-Leun Yau Heilesen
Auditors	Baker Tilly Denmark Godkendt Revisionspartnerselskab Poul Bundgaards Vej 1, 1. 2500 Valby

Management's review

Business review

The company's main activity consists of asset management.

Financial review

The company's income statement for the year ended 31 December 2021 shows a loss of DKK 3.096.226, and the balance sheet at 31 December 2021 shows negative equity of DKK 3.056.226.

The parent company, Incredible Holdings Ltd., declares to maintain and protect the investment in HB 2021 ApS. In this regard, it is confirmed that the ultimate shareholder, if necessary, will provide sufficient funds for HB 2021 ApS to ensure the continued operation and payment of all liabilities as they fall due.

The intercompany debt TDKK 13.427 as of 31 December 2021 consist of debt to the parent company and a sister company. The undersigned shareholder in the group declares to subordinate to other creditors.

On this basis, the annual report is presented on a going concern basis

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Income statement 1 December - 31 December

	Note	2020/21
		DKK
Gross profit		-1.365.734
Impairment of property, plant and equipment		-866.578
Impairment of inventory		-861.413
Profit/loss before net financials		-3.093.725
Financial costs		-2.501
Profit/loss before tax		-3.096.226
Tax on profit/loss for the year		0
Profit/loss for the year		-3.096.226
Distribution of profit		
Retained earnings		-3.096.226
		-3.096.226

Balance sheet 31 December

	Note	2021 DKK
Assets		
Deposits		285.175
Fixed asset investments		285.175
Total non-current assets		285.175
Finished goods and goods for resale		11.709.220
Stocks		11.709.220
Other receivables		601.145
Receivables		601.145
Total current assets		12.310.365
Total assets		12.595.540

Balance sheet 31 December

	<u>Note</u>	<u>2021</u> DKK
Equity and liabilities		
Share capital		40.000
Retained earnings		-3.096.226
Equity		<u>-3.056.226</u>
Payable to related parties		13.427.177
Other payables		2.224.589
Total current liabilities		<u>15.651.766</u>
Total liabilities		<u>15.651.766</u>
Total equity and liabilities		<u><u>12.595.540</u></u>
Uncertainty about the continued operation (going concern)	1	

Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 December	40.000	0	40.000
Net profit/loss for the year	0	-3.096.226	-3.096.226
Equity at 31 December	40.000	-3.096.226	-3.056.226

Notes

1 **Uncertainty about the continued operation (going concern)**

The parent company, Incredible Holdings Ltd., declares to maintain and protect the investment in HB 2021 ApS. In this regard, it is confirmed that the ultimate shareholder, if necessary, will provide sufficient funds for HB 2021 ApS to ensure the continued operation and payment of all liabilities as they fall due.

The intercompany debt TDKK 13.427 as of 31 December 2021 consist of debt to the parent company and a sister company. The undersigned shareholder in the group declares to subordinate to other creditors.

On this basis, the annual report is presented on a going concern basis

2 **Contingent assets**

As of 31 December 2021, the company has an unrecognized tax asset of TDKK 681.

3 **Contingent liabilities**

The company is jointly taxed with its parent company, Central Capital ApS (management company), and jointly and severally liable with other jointly taxed entities for payment of income taxes for income year 2021 onwards as well as for payment of withholding taxes on dividends, interest and royalties.

The company has entered into a contractual obligation regarding their lease located on Bredgade 19, where the non-cancellable part of the rent is TDKK 1,994.

Accounting policies

The annual report of HB 2021 ApS for 2020/21 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

As 2020/21 is the company's first reporting period, no comparatives have been presented.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits 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 from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Other external costs

Other external costs include expenses related to administration, premises etc.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Accounting policies

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Finansielle anlægsaktiver

Other financial assets, which consist of deposita which management expects to hold to maturity are measured at amortised cost and are written down to a lower recoverable amount.

Stocks

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct cost of labour and production/production overheads.

The net realisable value of stocks is calculated as the expected selling price less direct costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Income tax and deferred tax

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Accounting policies

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.