BEIERHOLM
VI SKABER BALANCE

COREESTATE ApS

Innovations Allé 3, 7100 Vejle

CVR no. 42 80 98 88

Annual report for 2023

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 08.07.24

Kristaps Cuders
Dirigent

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Company information etc.

The company

COREESTATE ApS
c/o AI Innovation House
Innovations Allé 3
7100 Vejle
Registered office: Vejle
CVR no.: 42 80 98 88
Financial year: 01.01 - 31.12

Executive Board

Kristaps Cuders

Board of Directors

Kristaps Cuders
Martins Spelmanis
Santa Krieva

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Statement by the Executive Board and Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.01.23 - 31.12.23 for COREESTATE ApS.

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

The financial statements have not been audited, and we declare that the relevant conditions have been met.

In our opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position as at 31.12.23 and of the results of the company's activities for the financial year 01.01.23 - 31.12.23.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Vejle, July 8, 2024

Executive Board

Kristaps Cuders

Board of Directors

Kristaps Cuders Chairman	Martins Spelmanis	Santa Krieva

To the management of COREESTATE ApS

Based on the company's accounting material and other information provided by management, we have compiled the financial statements of COREESTATE ApS for the financial year 01.01.23 - 31.12.23.

The financial statements comprise income statement, balance sheet, statement of changes in equity and notes to the financial statements, including significant accounting policies.

We performed this compilation engagement in accordance with ISRS 4410, Engagements to Compile Financial Statements.

We have applied our professional expertise to assist management with the preparation and presentation of the financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions of the Danish Act on Approved Auditors and Audit Firms and the code of ethics of International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (IESBA Code), including principles of integrity, professional competence and due care.

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

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

Soeborg, Copenhagen, July 8, 2024

Beierholm
Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Lasse Rosenborg Petersen
State Authorized Public Accountant
MNE-no. mne42896

Primary activities

The company specializes in developing a technologically advanced and user-friendly fractionalized ownership real estate platform based on distributed ledger technologies (DLT).

Development in activities and financial affairs

The income statement for the period 01.01.23 - 31.12.23 shows a profit/loss of DKK -74,193 against DKK -45,977 for the period 05.11.21 - 31.12.22. The balance sheet shows equity of DKK -60,170.

During the financial period from January 1, 2023, to December 31, 2023, the company focused on completing the development of its fractionalized real estate platform and listing the first tokenized property.

In Q2 2023, the company successfully launched its website, followed by the introduction of the first tokenized property in the Nordics in Q3 2023. As the pioneering fractionalized real estate platform using DLT in the Nordics, the company established a robust legal framework for future projects listed on the platform.

Despite limited funding, the company maintained its productivity and secured additional financing through loans from the executive board. This financial support enabled the company to sustain operations and achieve its milestones.

Additionally, the company secured strategically important partnerships with key industry stakeholders. These partnerships are expected to enhance the platform's capabilities, expand its market reach, and provide valuable resources for future development.

Furthermore, the company observed significant interest and received initial investments in its first tokenized project listed on the platform. This early investor engagement demonstrates confidence in the company's innovative approach and growth potential.

Information on going concern

The company is introducing MVP, a tokenized property in Vejle, Denmark. As the first fractionalized real estate offering in Denmark, the market response has been conservative. This cautious approach is causing slower adoption by investors for this new type of asset. Consequently, there is a potential risk that tokenized real estate may not yet be widely accepted in the Scandinavian market.

To adapt to market conditions and the growing adoption of digital assets, the company has partnered with existing real estate asset owners to offer tokenization as a paid service. In 2024, the company has secured new angel investments and is currently in discussions with major capital providers to finance project development costs. This strategy will enable us to list tokenized properties directly on multiple digital asset exchanges, reaching a broader global investor audience.

If the company fails to secure the targeted funding for the first project, it will pivot to offering tokenization as a paid service or SaaS platform exclusively to existing real estate asset owners. Additionally, the company is expanding its platform capabilities to develop a fractionalized real estate marketplace. This marketplace will allow third-party real estate to be fractionalized and listed on the platform for a fee. Currently, the company is investigating the licensing requirements for this marketplace.

Interest has been shown by initial paying customers and potential investors for both scenarios.

Income statement

Note		2023 DKK	05.11.21 31.12.22 DKK
	Gross loss	**-57,209**	**-57,353**
	Amortisation and impairments losses of intangible assets	-9,016	0
	Financial expenses	-7,968	-1,363
	Loss before tax	**-74,193**	**-58,716**
	Tax on loss for the year	0	12,739
	Loss for the year	**-74,193**	**-45,977**

Proposed appropriation account

Retained earnings	-74,193	-45,977
Total	**-74,193**	**-45,977**

Balance sheet

ASSETS

Note		31.12.23 DKK	31.12.22 DKK
	Acquired rights	81,149	90,165
	Total intangible assets	**81,149**	**90,165**
	Equity investments in group enterprises	55,207	0
	Total investments	**55,207**	**0**
	Total non-current assets	**136,356**	**90,165**
	Deferred tax asset	12,739	12,739
	Other receivables	6,905	91,555
	Total receivables	**19,644**	**104,294**
	Cash	**1,875**	**628**
	Total current assets	**21,519**	**104,922**
	Total assets	**157,875**	**195,087**

EQUITY AND LIABILITIES

Note		31.12.23 DKK	31.12.22 DKK
	Share capital	60,000	60,000
	Retained earnings	-120,170	-45,977
	Total equity	**-60,170**	**14,023**
	Trade payables	40,714	16,201
	Payables to associates	10,000	0
	Other payables	167,331	164,863
	Total short-term payables	**218,045**	**181,064**
	Total payables	**218,045**	**181,064**
	Total equity and liabilities	**157,875**	**195,087**

Statement of changes in equity

Figures in DKK	Share capital	Retained earnings	Total equity
Statement of changes in equity for 01.01.23 - 31.12.23			
Balance as at 01.01.23	60,000	-45,977	14,023
Net profit/loss for the year	0	-74,193	-74,193
Balance as at 31.12.23	60,000	-120,170	-60,170

1. Information as regards going concern

The company is introducing MVP, a tokenized property in Vejle, Denmark. As the first fractionalized real estate offering in Denmark, the market response has been conservative. This cautious approach is causing slower adoption by investors for this new type of asset. Consequently, there is a potential risk that tokenized real estate may not yet be widely accepted in the Scandinavian market.

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Interest has been shown by initial paying customers and potential investors for both scenarios.

2. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B with application of provisions for a higher reporting class.

The accounting policies have been applied consistently with previous years.

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 depreciation, amortisation, impairment losses and write-downs, 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 such assets 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 such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

INCOME STATEMENT

Gross loss

Gross loss comprises revenue and other external expenses.

Revenue

Income from the sale of services is recognised in the income statement as delivery takes place (delivery method). Revenue is measured at the selling value of the agreed consideration exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Other external expenses

Other external expenses comprise costs relating to advertising and administration.

2. Accounting policies - continued -

Amortisation and impairment losses

The amortisation of intangible assets aim at systematic amortisation over the expected useful lives of the assets. Assets are amortised according to the straight-line method based on the following expected useful lives and residual values:

	Useful life, year	Residual value DKK
Acquired rights	10	0

The basis of amortisation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of amortisation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Intangible assets are impaired in accordance with the accounting policies referred to in the ‘Impairment losses on fixed assets’ section.

Other net financials

Interest income and interest expenses etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

BALANCE SHEET

Intangible assets

Acquired rights

Aquired rights are measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Acquired rights are amortised using the straight-line method based on useful lives, which

2. Accounting policies - continued -

are stated in the 'Amortisation and impairment losses' section.

Gains or losses on the disposal of intangible assets are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal.

Equity investments in group entreprises and associates

Equity investments in associates are measured in the balance sheet at cost less any impairment losses. Transaction costs directly attributable to the acquisition are recognised in the cost of equity investments.

The acquisition of equity investments in associates is recognised in accordance with the acquisition method, according to which the identifiable assets and liabilities of acquired equity investments are measured at fair value at the date of acquisition.

Gains or losses on disposal of equity investments

Gains or losses on disposal of equity investments are determined as the difference between the disposal consideration and the carrying amount of net assets at the time of sale, including non-amortised goodwill, as well as the expected costs of divestment or discontinuation. Gains and losses are recognised in the income statement under income from equity investments.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in amortisation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

If dividends are distributed on equity investments in associates exceeding the year earnings from the enterprise in question, this is considered an indication of impairment.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the

2. Accounting policies - continued -

asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Cash

Cash includes deposits in bank account.

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

2. Accounting policies - continued -

Short-term financial payables are measured at amortised cost, normally corresponding to the nominal value of such payables. Other short-term payables are measured at net realisable value.