

Copenhagen RE Investment ApS

C/O Azets, Sindalsvej 30A
8240 Risskov

CVR no. 43 33 84 98

Annual report for 2022

(1st Financial year)

Adopted at the annual general meeting
on 16. august 2023

Flemming Herrestrup Sørensen
chairman

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Statement by management on the annual report

The executive board has today discussed and approved the annual report of Copenhagen RE Investment ApS for the financial year 20 June - 31 December 2022.

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 2022 and of the results of the company's operations for the financial year 20 June - 31 December 2022.

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.

Risskov, 16 August 2023

Executive board

Flemming Herrestrup Sørensen

Independent auditor's report

To the shareholder of Copenhagen RE Investment ApS

Opinion

We have audited the financial statements of Copenhagen RE Investment ApS for the financial year 20 June - 31 December 2022, 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 2022 and of the results of the company's operations for the financial year 20 June - 31 December 2022 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.

Material uncertainty related to going concern

The company's operations are financed by current loans from investors in the company. The company's continued operation is conditional on the continued supply of investor capital until the company's operation will be sufficiently profitable. We agree with the management regarding the assumptions made, but must specify that there is significant uncertainty linked to the forward-looking financing solutions.

Emphasis of matter

We refer to note 6, where there is mention of uncertainty in recognition and measurement. We agree with the description and accounting treatment

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.

Independent auditor's report

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 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.

Hellerup, 16. august 2023

CVR no. 33 25 68 76



Søren Jonassen
Statsautoriseret revisor
MNE no. mne18488

Company details

The company

Copenhagen RE Investment ApS
C/O Azets, Sindalsvej 30A
8240 Risskov

CVR no.: 43 33 84 98

Reporting period: 20 June - 31 December 2022

Domicile: Aarhus

Executive board

Flemming Herrestrup Sørensen

Auditors

Crowe
Statsautoriseret Revisionsinteressentskab v.m.b.a.
Rygårds Allé 104
2900 Hellerup

Management's review

Business review

The company's purpose is to invest in real estate and other related businesses. In the financial year, the company acquired a property and started renovating it.

Financial review

The company's income statement for the year ended 31 December 2022 shows a loss of DKK 6.161.583, and the balance sheet at 31 December 2022 shows negative equity of DKK 6.121.583.

The company's deficit is primarily due to costs incurred to renovate the company's property to support the company's business idea. The management estimates that the deficit is as expected.

There will also be a need in the coming years for the company to add additional capital to finance operations. There may be uncertainty associated with this.

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.

Accounting policies

The annual report of Copenhagen RE Investment ApS for 2022 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.

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

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, less costs of raw materials and consumables and other external expenses.

Other external costs

Other external costs include expenses related to administration, premises, bad debts 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, liabilities and foreign currency transactions and allowances under the Danish Tax Prepayment Scheme, etc.

Accounting policies

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

The company is subject to the Danish rules on compulsory joint taxation.

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

Tangible assets

Items of land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life
Other buildings	20-50 years

Assets costing less than DKK 31.000 are expensed in the year of acquisition.

Property

The property is measured at cost less accumulated depreciation charges and impairment losses. The basis of depreciation is cost less the expected residual value after the end of the useful life. Land is not depreciated. (If relevant: The cost of a property is broken down into separate components which are depreciated separately if the useful life of the individual components is different and the individual component accounts for a significant portion of the total cost.)

Receivables

Receivables are measured at amortised cost.

Accounting policies

Equity

Reserve for entrepreneurs

The reserve includes amounts that the entrepreneur must transfer according to the provisions of the Danish Companies Act on entrepreneurs. Each year, at least 25% of the profit for the year must be transferred until the reserve of entrepreneurs and the contributed capital total at least DKK 50,000.

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

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.

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.

Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the net proceeds and the nominal value is recognised in the income statement over the term of the loan.

Financial liabilities also include the capitalised residual finance lease commitment.

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

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

Income statement
20 June 2022 - 31 December 2022

	<u>Note</u>	<u>2022</u> DKK
Gross profit		-1.589.133
Financial income		719
Financial costs	2	<u>-4.573.169</u>
Profit/loss before tax		-6.161.583
Tax on profit/loss for the year	3	<u>0</u>
Profit/loss for the year		<u><u>-6.161.583</u></u>
 Recommended appropriation of profit/loss		
Retained earnings		<u>-6.161.583</u>
		<u><u>-6.161.583</u></u>

Balance sheet at 31 December 2022

	<u>Note</u>	<u>2022</u> DKK
Assets		
Land and buildings	4	<u>36.434.050</u>
Tangible assets		<u>36.434.050</u>
Total non-current assets		<u>36.434.050</u>
Receivables from subsidiaries		6.250
Other receivables		30.214
VAT and duties receivables		<u>737.719</u>
Receivables		<u>774.183</u>
Cash at bank and in hand		<u>14.734</u>
Total current assets		<u>788.917</u>
Total assets		<u><u>37.222.967</u></u>

Balance sheet at 31 December 2022

	<u>Note</u>	<u>2022</u> DKK
Equity and liabilities		
Share capital		40.000
Retained earnings		<u>-6.161.583</u>
Equity		<u>-6.121.583</u>
Other payables		<u>41.104.610</u>
Total non-current liabilities		<u>41.104.610</u>
Trade payables		<u>2.239.940</u>
Total current liabilities		<u>2.239.940</u>
Total liabilities		<u>43.344.550</u>
Total equity and liabilities		<u><u>37.222.967</u></u>

Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 20 June 2022	40.000	0	40.000
Net profit/loss for the year	0	-6.161.583	-6.161.583
Equity at 31 December 2022	<u>40.000</u>	<u>-6.161.583</u>	<u>-6.121.583</u>

Notes

	<u>2022</u> DKK
1 Staff costs	
Average number of employees	<u>0</u>
	<u>2022</u> DKK
2 Financial costs	
Other financial costs	<u>4.573.169</u>
	<u>4.573.169</u>
3 Tax on profit/loss for the year	
	<u>0</u>
4 Tangible assets	
	<u>Land and buildings</u>
Cost at 20 June 2022	0
Additions for the year	<u>36.434.050</u>
Cost at 31 December 2022	<u>36.434.050</u>
Revaluations at 20 June 2022	<u>0</u>
Revaluations at 31 December 2022	<u>0</u>
Impairment losses and depreciation at 20 June 2022	<u>0</u>
Impairment losses and depreciation at 31 December 2022	<u>0</u>
Carrying amount at 31 December 2022	<u>36.434.050</u>

Notes

5 Uncertainty about the continued operation (going concern)

The company's operations are financed by loans from investors in the company. The company's continued operation is conditional on the continued supply of investor capital until the company's operation will be sufficiently profitable. The management has assessed budgets and financing and assessed the company's going concern. There is uncertainty linked to the forward-looking financing solutions as the management cannot be completely sure that they will be achieved as stipulated in the budget.

6 Uncertainty in the recognition and measurement

The company's property was acquired from a bankruptcy estate at an attractive price in the management's opinion. A major redevelopment of the property is to be initiated and depending on the progress of this redevelopment, there is some uncertainty regarding the property's valuation, which is determined at cost price

7 Contingent liabilities

The company is jointly taxed with its parent company, Copenhagen RE Investment Holding ApS (management company), and jointly and severally liable with other jointly taxed entities for payment of income taxes for income year 2022 onwards as well as for payment of withholding taxes on dividends, interest and royalties which fall due for payment on or after 1 July 2022.

The company has no contingent liabilities.

8 Mortgages and collateral

The company has no mortgages.