

Aucnet Europe ApS

Gothersgade 11, kl.

1123 København K

CVR No. 43496913

Annual Report 2022/23

1 September 2022 - 31 December 2023.

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 14 March 2024

Masaaki Furukawa
Chairman

Aucnet Europe ApS

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Management's Statement

Management has today considered and approved the annual report of Aucnet Europe ApS for the financial year 1 September 2022 - 31 December 2023.

The annual report, which has not been audited, is presented in accordance with the Danish Financial Statements Act.

Management believes that the financial statements give a true and fair view of the company's assets, liabilities and financial position at 31 December 2023 and of the result for the financial year 1 September 2022 - 31 December 2023.

Management considers the conditions for opting out of audit to be met.

The annual report is submitted for approval by the General Assembly.

Copenhagen, 14 March 2024

Management

Yasuto Saito

Supervisory Board

Yasuto Saito

Masaaki Furukawa

Yuki Noritake

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Company details

Company	Aucnet Europe ApS Gothersgade 11, kl. 1123 København K
CVR No.	43496913
Date of formation	1 September 2022
Financial year	1 September 2022 - 31 December 2023
Supervisory Board	Yasuto Saito Masaaki Furukawa Yuki Noritake
Management	Yasuto Saito

Management's Review

The Company's principal activities

The Company's principal activities consist in providing customer support, marketing the parent company's product, and developing and investing in secondary distribution as well as all business which, at the management's discretion, is related to this.

Development in activities and the financial situation

The Company's Income Statement of the financial year 1 September 2022 - 31 December 2023 shows a result of DKK -3,187,140 which is in line with expectations.

The Company has lost all of the share capital. The management expects the share capital to be restored through the Company's operations. The Company has received a letter of support from the parent company.

Events after the end of the financial year

After the end of the financial year no events have occurred that could materially affect the company's financial position.

Accounting Policies

The annual report has been prepared in accordance with the regulation applying to Reporting class B.

As this is the first financial year, there are no comparative figures.

The annual report is presented in Danish kroner.

General information

Income is recognised in the income statement as and when it is earned, including recognition of value adjustments of financial assets and liabilities.

Any costs, including depreciation, amortisation and impairment, are also recognised in the income statement.

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

Liabilities are recognised in the balance sheet when it is likely that future economic benefits will not accrue to the Company and the value of the liability can be measured reliably.

The initial recognition measures assets and liabilities at cost. Subsequently, assets and liabilities are measured as described in the following for each item.

Certain financial assets and liabilities are measured at amortised cost, recognising a constant yield to maturity. Amortised cost is stated at initial cost less any deductions and with addition/deduction of the accumulated amortisation on the difference between cost and nominal amount.

The recognition and measurement takes into account predictable losses and risks arising before the year-end reporting and which prove or disprove matters that existed at the balance sheet date.

Income statement

External expenses

External expenses comprise expenses incurred during the year for management, rental, marketing and administration. Also in these items are write-downs for bad debt losses.

Financial income and expenses

Financial income and financial expenses include interest, financial expenses, realised and unrealised exchange rate gains and losses on loans and transactions in foreign currencies, and on account transactions, etc. Financial income and expenses are recognised in the income statement with the amounts concerning the financial year.

Tax for the year

The tax for the year consists of the current tax, and the deferred tax for the year. The tax relating to the results is recognised in the income statement, whereas the tax directly relating to equity entries is taken directly to equity.

Accounting Policies

Balance sheet

Deposits

Deposits are measured at amortised cost.

Receivables

Receivables are measured at amortised cost. The value will be reduced by the provision for bad debts.

Cash and cash equivalents

Cash includes deposits in bank account.

Current tax and deferred tax

Current tax liabilities and tax receivables are recognised in the balance sheet as calculated tax of taxable income for the financial year adjusted for paid tax on account.

Deferred tax is measured on all temporary differences arising between the tax values of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date would be applicable when the deferred tax is expected to crystallise as current tax.

A change in the deferred tax, which is a result of changes to tax rates, is recognised in the income statement with the exception of items that are taken directly to equity.

Other liabilities

Other liabilities are measured at amortised cost corresponding substantially to nominal value.

Translation of foreign currencies

Transactions in foreign currencies are translated at exchange rates approximating those in effect at the date of each transaction. Exchange rate differences arising between the transaction date rates and the rates at the date of payment are recognised under financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign exchange not settled at the balance sheet date are translated at the average of the buy and sell exchange rates available at the close of business on the balance sheet date. Differences between the exchange rates at the balance sheet date and the transaction date rates are recognised under financial income and expenses in the income statement.

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Income Statement

	Note	2022/23 kr.
External expenses		-1,868,035
Other employee expense	1	-1,304,675
Result from ordinary operating activities		-3,172,710
Finance income	2	395
Finance expenses	3	-14,825
Result from ordinary activities before tax		-3,187,140
Tax expense		0
Result		-3,187,140
 Proposed distribution of results		
Retained earnings		-3,187,140
Distribution of result		-3,187,140

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Balance Sheet as of 31 December

	Note	2023 kr.
Assets		
Other receivables		69,318
Deposits and prepayments		174,410
Receivables		<u>243,728</u>
Cash and cash equivalents		<u>758,539</u>
Current assets		<u>1,002,267</u>
Assets		<u>1,002,267</u>

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Balance Sheet as of 31 December

	Note	2023 kr.
Liabilities and equity		
Contributed capital		54,925
Share premium		2,329,762
Retained earnings		-3,187,140
Equity		-802,453
Payables to group enterprises		1,608,270
Other payables		196,450
Short-term liabilities other than provisions		1,804,720
Liabilities other than provisions within the business		1,804,720
Liabilities and equity		1,002,267
Uncertainties relating to going concern	4	
Contingent assets	5	
Contingent liabilities	6	

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Statement of changes in Equity

	Contributed capital	Share premium	Retained earnings	Total
Equity 1 September 2022	40,000			40,000
Increase of capital	14,925	2,329,762	0	2,344,687
Profit (loss)	0	0	-3,187,140	-3,187,140
Equity 31 December 2023	54,925	2,329,762	-3,187,140	-802,453

Notes

2022/23

1. Employee benefits expenses

Wages and salaries	1,212,237
Social security contributions	92,438
	<u>1,304,675</u>

Average number of employees	<u>2</u>
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2. Finance income

Exchange rate profit	395
	<u>395</u>

3. Finance expenses

Interest authorities	12,704
Exchange rate loss	2,121
	<u>14,825</u>

4. Uncertainties relating to going concern

The Company has lost all of the share capital. The management expects the share capital to be restored through the Company's operations. The Company has received a letter of support from the parent company.

5. Contingent assets

The Company has a deferred tax asset of DKK 698,000 which has not been recognised in the balance sheet. The tax asset can be attributed to tax losses carried forward which are not expected to be utilised within the next 3-5 years. The tax asset can be carried forward indefinitely.

6. Contingent liabilities

The Company has signed two rental agreements which can be terminated by giving a 3 months notice. Total rental liability until 31 December 2023 is approx DKK 121,785. Further to the above the Company has no contingent liabilities and has not provided any securities.