



Scanavo A/S

Roskildevej 328
2630 Taastrup
CVR No. 18718235

Annual report 2022

The Annual General Meeting adopted the
annual report on 05.05.2023

Tino Thorbjørn Sølling
Chairman of the General Meeting

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Entity details

Entity

Scanavo A/S

Roskildevej 328

2630 Taastrup

Business Registration No.: 18718235

Registered office: Høje-taastrup

Financial year: 01.01.2022 - 31.12.2022

URL: www.scanavo.com

E-mail: sales@scanavo.com

Board of Directors

Mads Bohnstedt Sølling, Chairman of the board

Tino Thorbjørn Sølling

Maria Elisabeth Bohnstedt Sølling

Jeanette Sigrid Sølling

Executive Board

Tino Thorbjørn Sølling

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Scanavo A/S for the financial year 01.01.2022 - 31.12.2022.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Taastrup, 05.05.2023

Executive Board

Tino Thorbjørn Sølling

Board of Directors

Mads Bohnstedt Sølling
Chairman of the board

Tino Thorbjørn Sølling

Maria Elisabeth Bohnstedt Sølling

Jeanette Sigrud Sølling

Independent auditor's report

To the shareholder of Scanavo A/S

Opinion

We have audited the financial statements of Scanavo A/S for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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.

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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 the management commentary.

Copenhagen, 05.05.2023

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Henrik Hartmann Olesen

State Authorised Public Accountant
Identification No (MNE) mne34143

Management commentary

Financial highlights

	2022	2021	2020	2019	2018
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Gross profit/loss	27,870	45,854	46,207	46,826	49,374
Operating profit/loss	7,214	23,714	23,861	23,074	27,674
Net financials	205	(249)	(106)	41	(385)
Profit/loss for the year	34,498	42,711	35,276	35,467	38,869
Total assets	69,423	102,916	65,640	70,614	83,667
Investments in property, plant and equipment	1,445	2,506	1,651	537	767
Equity	51,319	59,862	50,883	51,938	55,283
Ratios					
Return on equity (%)	62.06	77.13	68.62	66.16	77.59
Equity ratio (%)	73.92	58.17	77.52	73.55	66.08

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

Average equity

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Total assets}}$

Total assets

Primary activities

The Group's primary activity comprises the sale and marketing of Media Packaging. In recent years, the group has developed its business, now being a marketer and partner for the studios and publishers in the home entertainment industry, with a broad distribution network in the global retail landscape. Today, sales are carried out worldwide by the Group's sales companies in Europe, North America and Asia, respectively.

Development in activities and finances

The annual report for 2022 shows a profit before tax of DKK 36,145 thousand and profit after tax of DKK 34,498 thousand, which Management finds satisfactory.

Profit/loss for the year in relation to expected developments

The realised profit for 2022 is similar to Managements expectations.

Unusual circumstances affecting recognition and measurement

The Group's Management does not find that greater uncertainty regarding recognition and measurement in the annual report exists apart from what can normally be expected in connection with an enterprise of a similar size.

Outlook

Management is cautiously optimistic regarding earnings for the coming year but is expecting a slightly higher profit than in 2022.

Environmental performance

The Company has prepared a Green Statement that gives an account of the Company's strategy in relation to environmental issues and sustainability. The Company's primary objective is to use materials that can be recycled and which reduce the extent of raw materials used in the Company's products.

Research and development activities

The Company is engaged in product development on an ongoing basis in order to be able to adapt to the opportunities arising in the market.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2022

	Notes	2022 DKK	2021 DKK
Gross profit/loss		27,870,094	45,854,160
Staff costs	2	(19,073,365)	(19,033,165)
Depreciation, amortisation and impairment losses	3	(1,582,311)	(3,107,400)
Operating profit/loss		7,214,418	23,713,595
Income from investments in group enterprises		28,725,186	24,456,201
Other financial income	4	688,261	28,232
Other financial expenses	5	(482,930)	(277,498)
Profit/loss before tax		36,144,935	47,920,530
Tax on profit/loss for the year	6	(1,647,295)	(5,209,100)
Profit/loss for the year	7	34,497,640	42,711,430

Balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Plant and machinery		139,045	0
Other fixtures and fittings, tools and equipment		495,433	771,413
Property, plant and equipment	8	634,478	771,413
Investments in group enterprises		37,594,223	34,097,729
Other receivables		522,713	522,713
Financial assets	9	38,116,936	34,620,442
Fixed assets		38,751,414	35,391,855
Manufactured goods and goods for resale		11,305,168	23,771,265
Prepayments for goods		146,594	0
Inventories		11,451,762	23,771,265
Trade receivables		4,953,804	13,925,308
Receivables from group enterprises		3,804,926	20,274,027
Deferred tax	10	825,200	762,800
Other receivables		1,996,420	5,452,246
Tax receivable		3,287,982	1,892,178
Prepayments	11	125,058	48,091
Receivables		14,993,390	42,354,650
Cash		4,226,902	1,397,856
Current assets		30,672,054	67,523,771
Assets		69,423,468	102,915,626

Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital		3,750,000	3,750,000
Reserve for net revaluation according to the equity method		7,223,288	6,397,994
Retained earnings		5,346,018	6,713,564
Proposed dividend		35,000,000	43,000,000
Equity		51,319,306	59,861,558
Other payables		1,797,536	1,742,560
Non-current liabilities other than provisions		1,797,536	1,742,560
Bank loans		98,429	633,345
Prepayments received from customers		1,072,785	1,345,161
Trade payables		4,989,495	13,838,014
Payables to group enterprises		7,239,650	20,799,467
Payables to shareholders and management		1,075	1,770
Other payables		2,905,192	4,693,751
Current liabilities other than provisions		16,306,626	41,311,508
Liabilities other than provisions		18,104,162	43,054,068
Equity and liabilities		69,423,468	102,915,626
Events after the balance sheet date	1		
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Statement of changes in equity for 2022

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	3,750,000	6,397,994	6,713,564	43,000,000	59,861,558
Ordinary dividend paid	0	0	0	(43,000,000)	(43,000,000)
Exchange rate adjustments	0	(39,892)	0	0	(39,892)
Dividends from group enterprises	0	(27,860,000)	27,860,000	0	0
Profit/loss for the year	0	28,725,186	(29,227,546)	35,000,000	34,497,640
Equity end of year	3,750,000	7,223,288	5,346,018	35,000,000	51,319,306

Notes

1 Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

2 Staff costs

	2022	2021
	DKK	DKK
Wages and salaries	17,035,579	16,655,479
Pension costs	1,774,886	2,135,419
Other social security costs	262,900	242,267
	19,073,365	19,033,165
Average number of full-time employees	31	29

Staff costs include remuneration and pension costs to the Executive Board and the Board of Directors.

In accordance with section 98b(3) of the Danish Financial Statements Act, no specification of amounts has been included.

3 Depreciation, amortisation and impairment losses

	2022	2021
	DKK	DKK
Depreciation of property, plant and equipment	1,582,311	3,107,400
	1,582,311	3,107,400

4 Other financial income

	2022	2021
	DKK	DKK
Financial income from group enterprises	28,664	25,851
Other interest income	87,294	2,381
Exchange rate adjustments	572,303	0
	688,261	28,232

5 Other financial expenses

	2022	2021
	DKK	DKK
Financial expenses from group enterprises	451,425	92,553
Other interest expenses	10,339	132,341
Other financial expenses	21,166	52,604
	482,930	277,498

6 Tax on profit/loss for the year

	2022	2021
	DKK	DKK
Current tax	1,712,018	5,607,822
Change in deferred tax	(62,400)	(401,200)
Adjustment concerning previous years	(2,323)	2,478
	1,647,295	5,209,100

7 Proposed distribution of profit and loss

	2022	2021
	DKK	DKK
Ordinary dividend for the financial year	35,000,000	43,000,000
Retained earnings	(502,360)	(288,570)
	34,497,640	42,711,430

8 Property, plant and equipment

	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	6,242,934	2,109,304
Additions	1,445,376	0
Cost end of year	7,688,310	2,109,304
Depreciation and impairment losses beginning of year	(6,242,934)	(1,337,891)
Depreciation for the year	(1,306,331)	(275,980)
Depreciation and impairment losses end of year	(7,549,265)	(1,613,871)
Carrying amount end of year	139,045	495,433

9 Financial assets

	Investments in group enterprises DKK	Other receivables DKK
Cost beginning of year	2,510,934	522,713
Cost end of year	2,510,934	522,713
Revaluations beginning of year	31,586,795	0
Exchange rate adjustments	(39,892)	0
Share of profit/loss for the year	28,725,186	0
Dividend	(25,188,800)	0
Revaluations end of year	35,083,289	0
Carrying amount end of year	37,594,223	522,713

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Scanavo Market A/S	Taastrup	A/S	100
Scanavo Manufacturing Hong Kong Ltd.	Hong Kong	Ltd.	100

10 Deferred tax

	2022 DKK	2021 DKK
Property, plant and equipment	715,200	652,800
Receivables	110,000	110,000
Deferred tax	825,200	762,800

Changes during the year	2022 DKK	2021 DKK
Beginning of year	762,800	361,600
Recognised in the income statement	62,400	401,200
End of year	825,200	762,800

Deferred tax assets

Deferred tax assets are recognised based on management best estimates of utilisation within 3-5 years.

11 Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

12 Unrecognised rental and lease commitments

	2022	2021
	DKK	DKK
Liabilities under rental or lease agreements until maturity in total	484,664	441,793

13 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which TS Holding 2018 ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is, therefore, liable for income taxes etc for the jointly taxed entities, but only for the share by which the Entity is included in the Group, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements.

14 Related parties with controlling interest

Scanavo A/S' related parties comprise the following:

- Scanavo Holding ApS, Taastrup, Denmark
- TS Holding 2018 ApS, Taastrup, Denmark
- Tino Thorbjørn Sølling (CEO), Solrød Strand, Denmark

15 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

16 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest and smallest group:

TS Holding 2018 ApS, Business Registration No 39434156

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

There has been made a few reclassifications to the comparison figures in the balance sheet. The accounting policies applied to these financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods, other operating income, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales

discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including rental income and gains from the sale of intangible assets and property, plant and equipment.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group companies. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Property, plant and equipment

Plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Plant and machinery	1-2 years
Other fixtures and fittings, tools and equipment	3-5 years

Leasehold improvements are expensed during the financial year.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal.

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus or minus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

The Parent's share of the enterprises' results is recognised in the income statement.

Subsidiaries and associates with negative net asset values are measured at DKK 0, and any amounts owed by such enterprises are written down by the Parent's share of the negative net asset value if the amount owed is deemed irrecoverable. If the negative net asset value exceeds the amount owed, the remaining amount is recognised under provisions to the extent that the Parent has a legal or constructive obligation to cover that enterprise's liabilities.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Goods for resale are measured at cost, comprising purchase price plus delivery costs. Write-down is made for obsolete goods, including slow-moving items

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Cash flow statement

Referring to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared as Scanavo A/S is included in the cash flow statement of TS Holding 2018 ApS.