
Kruso A/S

Landemærket 10, 6. sal, DK-1119 København K

Annual Report for 2023

CVR No. 25 52 43 65

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 24/6 2024

Niels Ebbe Ebbesen
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Kruso A/S for the financial year 1 January - 31 December 2023.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and of the results of the Company operations for 2023.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 24 June 2024

Executive Board

Niels Ebbe Ebbesen
Manager

Lars Ørum Andersen
Manager

Board of Directors

Niels Lenander Jensen
Chairman

Morten Ersbøll Ebbesen

Niels Ebbe Ebbesen

Michael Sølling

Independent Auditor's report

To the shareholders of Kruso A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Kruso A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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' 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.

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, in our view, 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 in Management's Review.

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 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.

Hellerup, 24 June 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Nikolaj Erik Johnsen

State Authorised Public Accountant

mne35806

Company information

The Company	Kruso A/S Landemærket 10, 6. sal 1119 København K CVR No: 25 52 43 65 Financial period: 1 January - 31 December Incorporated: 1 July 2000 Financial year: 23th financial year Municipality of reg. office: Copenhagen
Board of Directors	Niels Lenander Jensen, chairman Morten Ersbøll Ebbesen Niels Ebbe Ebbesen Michael Sølling
Executive Board	Niels Ebbe Ebbesen Lars Ørum Andersen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Management's review

Key activities

Kruso is a Nordic tech agency that develops digital services and commerce platforms for Danish and international brands, as well as large public organizations. We have independent offices in Aarhus, Copenhagen, Malmo, Gothenburg, Stockholm, and Amsterdam, as well a delivery center in Lviv.

Development in the year

The income statement of the Company for 2023 shows a loss of DKK 2,863,353, and at 31 December 2023 the balance sheet of the Company shows a positive equity of DKK 11,990,269.

In 2023, we maintained a strong focus on growth through increased investments in new technology partners, sales and marketing, and the establishment of new service areas. Additionally, we succeeded with an ambitious expansion beyond the Nordics, with new offices in The Netherlands and Germany.

For our consolidated 2023 financial statement, this means that despite a significant slowdown in our established markets in Sweden and Denmark, we maintained the same revenue level as in 2022, at approximately 87 million DKK. We responded to the slowdown, particularly in the Danish market, with an organizational adjustment towards the end of the year, resulting in a cost reduction of up to 10 percent.

Kruso as a group is now established as a strong Northern European digital full-service agency across Denmark, Sweden, The Netherlands, and Germany. Our approximately 150 consultants provide everything from strategic digital business consultancy to the design, development, hosting, and operation of complex digital platforms for European private and public companies.

Expectations for 2024

Kruso is well-consolidated and is today stronger than ever before with a range of new growth opportunities, both geographically and in terms of competence and business. The beginning of 2024 has met our expectations for our strategy, and we anticipate moderate and profitable growth for 2024 across all four of our markets.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 January - 31 December

	Note	2023	2022
		DKK	DKK
Revenue		53,160,976	63,673,327
Other operating income		208,080	214,200
Expenses for raw materials and consumables		-6,781,688	-11,357,649
Other external expenses		-7,672,795	-6,574,709
Gross profit		38,914,573	45,955,169
Staff expenses	1	-41,622,884	-42,387,898
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	2	-839,075	-869,172
Profit/loss before financial income and expenses		-3,547,386	2,698,099
Income from investments in subsidiaries		0	151,312
Financial income	3	59,325	0
Financial expenses	4	-180,087	-85,536
Profit/loss before tax		-3,668,148	2,763,875
Tax on profit/loss for the year	5	804,795	-583,660
Net profit/loss for the year		-2,863,353	2,180,215

Distribution of profit

	2023	2022
	DKK	DKK
Proposed distribution of profit		
Retained earnings	-2,863,353	2,180,215
	-2,863,353	2,180,215

Balance sheet 31 December

Assets

	Note	2023	2022
		DKK	DKK
Goodwill		0	511,381
Software		17,951	35,901
Intangible assets	6	17,951	547,282
Other fixtures and fittings, tools and equipment		85,554	257,833
Leasehold improvements		252,745	390,209
Property, plant and equipment	7	338,299	648,042
Investments in subsidiaries	8	6,765,088	226,330
Deposits	9	802,940	680,033
Fixed asset investments		7,568,028	906,363
Fixed assets		7,924,278	2,101,687
Trade receivables		12,922,985	13,276,986
Contract work in progress		4,032,498	2,519,019
Receivables from group enterprises		1,914,018	268,430
Deferred tax asset		184,505	30,495
Corporation tax receivable from group enterprises		650,785	0
Prepayments		733,782	377,750
Receivables		20,438,573	16,472,680
Cash at bank and in hand		234,060	4,106,038
Current assets		20,672,633	20,578,718
Assets		28,596,911	22,680,405

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		DKK	DKK
Share capital		514,204	506,725
Share premium account		985,796	493,275
Retained earnings		10,490,269	13,353,622
Equity		11,990,269	14,353,622
Other provisions		431,739	300,000
Provisions		431,739	300,000
Credit institutions		9,795,722	0
Prepayments received from customers		1,621,824	1,443,087
Trade payables		713,138	1,597,470
Corporation tax		0	583,660
Deposits		40,800	40,800
Other payables		4,003,419	4,361,766
Short-term debt		16,174,903	8,026,783
Debt		16,174,903	8,026,783
Liabilities and equity		28,596,911	22,680,405
Contingent assets, liabilities and other financial obligations	10		
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Statement of changes in equity

	Share capital	Share premium account	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	506,725	493,275	13,353,622	14,353,622
Cash capital increase	7,479	492,521	0	500,000
Net profit/loss for the year	0	0	-2,863,353	-2,863,353
Equity at 31 December	514,204	985,796	10,490,269	11,990,269

Notes to the Financial Statements

	2023	2022
	DKK	DKK
1. Staff Expenses		
Wages and salaries	34,327,794	35,731,782
Pensions	5,118,413	4,793,514
Other social security expenses	487,937	-403,946
Other staff expenses	1,688,740	2,266,548
	<u>41,622,884</u>	<u>42,387,898</u>
Average number of employees	<u>61</u>	<u>64</u>
	2023	2022
	DKK	DKK
2. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		
Amortisation of intangible assets	529,332	529,332
Depreciation of property, plant and equipment	309,743	339,840
	<u>839,075</u>	<u>869,172</u>
	2023	2022
	DKK	DKK
3. Financial income		
Exchange adjustments	59,325	0
	<u>59,325</u>	<u>0</u>
	2023	2022
	DKK	DKK
4. Financial expenses		
Other financial expenses	70,477	45,016
Exchange adjustments, expenses	88,007	24,582
Exchange loss	21,603	15,938
	<u>180,087</u>	<u>85,536</u>

Notes to the Financial Statements

	2023	2022
	DKK	DKK
5. Income tax expense		
Current tax for the year	-650,785	583,660
Deferred tax for the year	-154,010	0
	-804,795	583,660
6. Intangible fixed assets		
	Goodwill	Software
	DKK	DKK
Cost at 1 January	3,579,665	89,754
Cost at 31 December	3,579,665	89,754
Impairment losses and amortisation at 1 January	3,068,284	53,853
Amortisation for the year	511,381	17,950
Impairment losses and amortisation at 31 December	3,579,665	71,803
Carrying amount at 31 December	0	17,951
Amortised over	7 years	5 years
7. Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	Leasehold improve- ments
	DKK	DKK
Cost at 1 January	568,904	671,289
Cost at 31 December	568,904	671,289
Impairment losses and depreciation at 1 January	311,071	281,079
Depreciation for the year	172,279	137,465
Impairment losses and depreciation at 31 December	483,350	418,544
Carrying amount at 31 December	85,554	252,745
Amortised over	3-5 years	10 years

Notes to the Financial Statements

	2023	2022
	DKK	DKK
8. Investments in subsidiaries		
Cost at 1 January	226,330	226,330
Additions for the year	6,538,758	0
Cost at 31 December	<u>6,765,088</u>	<u>226,330</u>
Carrying amount at 31 December	<u>6,765,088</u>	<u>226,330</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership	Equity	Net profit/loss for the year
Kruso Digital AB	Sweden	50.000	100%	4,846,328	280,982
CustomQuake GMBH	Germany	186.323	100%	2,720,409	2,520,767
				<u>7,566,737</u>	<u>2,801,749</u>

9. Other fixed asset investments

	Deposits
	DKK
Cost at 1 January	680,033
Additions for the year	122,907
Cost at 31 December	<u>802,940</u>
Carrying amount at 31 December	<u>802,940</u>

	2023	2022
	DKK	DKK
10. Contingent assets, liabilities and other financial obligations		
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	3,510,938	3,376,116
Between 1 and 5 years	1,697,614	4,287,297
	<u>5,208,552</u>	<u>7,663,413</u>

Notes to the Financial Statements

2023	2022
DKK	DKK

10. Contingent assets, liabilities and other financial obligations

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Nescon ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the Financial Statements

11. Accounting policies

The Annual Report of Kruso A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023 are presented in DKK.

Consolidated financial statements

With reference to section 110 of the Danish Financial Statements Act, no consolidated financial statements are prepared.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset 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 out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Notes to the Financial Statements

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with 100% owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

Intangible fixed assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 7 year.

Development costs and costs relating to rights developed by the Company are recognised in the income statement as costs in the year of acquisition.

Notes to the Financial Statements

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	10 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Other fixed asset investments

Other fixed asset investments consist of deposits

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Contract work in progress

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Notes to the Financial Statements

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

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

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial liabilities

Debts are measured at amortised cost, substantially corresponding to nominal value.