

Aaen & Co.

STATSAUTORISERED E REVISORER

ActionSportGames A/S

Address: Bjergvangen 1, DK-3060 Espergærde

CVR-number 27 07 26 66

Annual Report 2023

Annual report for the financial period: 1 January 2023 - 31 December 2023

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Approved at the annual general meeting of shareholders on 29 May 2024

Martin Skovbjerg
chairman

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Company Information

The Company	ActionSportGames A/S Bjergvangen 1 DK-3060 Espergærde Municipality of reg. office: Helsingør
Supervisory Board	Martin Skovbjerg, chairman Johnny Percy Pedersen Henrik Grobelnik
Executive board	Johnny Percy Pedersen
Auditors	Aaen & Co. statsautoriserede revisorer p/s Kongevejen 3 DK-3000 Helsingør
Bank	Nordea Bank Danmark A/S Jylland Vest Erhvervscenter Østergade 4-6 DK-7400 Herning
Financial year	1 January - 31 December

Information on calculation of key figures and financial ratios

DKK '000	2023	2022	2021 (9 months)	2020/21	2019/20
Gross profit	31.414	39.848	41.409	40.905	16.012
Result from ordinary operating activities	-477	9.519	19.469	13.593	92
Interest net	-3.394	-2.145	-554	940	-584
Profit for the year	-3.196	5.949	14.948	11.307	280
Fixed assets	16.191	14.113	14.196	14.990	9.048
Current assets	104.814	122.646	100.371	73.145	70.482
Total assets	121.005	136.759	114.567	88.135	79.530
Share capital	1.111	1.111	1.111	1.111	1.000
Equity capital	51.899	55.425	62.179	51.026	35.783
Provisions	802	439	18	391	122
Long-term debt	0	0	0	0	0
Short-term debt	68.304	80.895	52.370	36.718	43.625
Total liabilities	121.005	136.759	114.567	88.135	79.530
Cash flows					
Cash flows from:					
- operating activities	13.476	-21.133	-2.174	27.864	-8.215
- investing activities	-5.314	-2.829	-2.011	-4.495	-4.862
-- investment in non-current assets					
-- investment in current assets	-5.314	-2.826	-2.011	-4.495	-2.727
- financing activities	-7.859	21.574	2.443	-15.483	11.798
Net increase (decrease) in cash and cash equivalents	303	-2.387	-1.742	7.886	-1.278
Average number of employees	65	65	34	34	36
Key figures in %					
Return on capital employed	-0,4	7,0	17,0	15,4	0,1
Liquidity ratio	153,5	151,6	191,7	199,2	161,6
Solvency ratio	42,9	40,5	54,3	57,9	45,0
Return on investment	-6,0	10,1	26,4	26,1	0,8

Explanation of key figures

Return on capital employed: Profit (loss) from ordinary operating activities x 100 / Total assets

Liquidity ratio: Current assets x 100 / Short-term liabilities

Solvency ratio: Equity end-of-year x 100 / Total assets

Return on investment: Profit (loss) x 100 / Average equity

Management's Review

The Company's business review

The Company's main activities are to be engaged in commercial activities in the form of trade and manufacturing in sales, import, and export of replica firearms, including Airsoft guns, Airguns, and related accessories intended for action-packed leisure and sports activities.

Financial year

The result for 2023 is below expectations for the year.

Significant changes in the company's activities and financial affairs

The ActionSportGames Group financial results for the year 2023 show a result at of DKK -3.195.920 against a profit of DKK 5.949.195 for the year 2022.

During the financial year 2023, the focus for management has still been to embrace the impact from the global crises regarding logistic and production capacity (internal/external). The increased price index on transport and raw materials in conjunction with USD currency volatility have complicated the situation. All though management has addressed the challenges throughout 2023, the magnitude and scale has inevitably led to higher costs which has negatively impacted the profit.

A strong focus on digitalization is on the agenda for the entire group in the next 3 years. The strategy for development and renewal of ASG digital infrastructure/is under implementation. It is expected that this IT strategy will further add to ASG's vision and productivity (profitability) over the coming 2-3 years.

2024 Outlook

For 2024 we will introduce new products, which – combined with positive market sentiment expressed by both customers and end-users – is expected to result in an improved financial performance throughout the year.

We are consolidating our position as a well-established Amazon operator with Seller Central account status, which is expected to continue and accelerate our revenue growth in our Amazon-based North American business, and our sales efforts in South America, Middle East and Europe has resulted in the activation of new sales channels in these markets, all of which is expected to contribute to a positive outlook for 2024.

We expect to see a strong improvement in our profit margins on the basis of both the introduction of new products with above-average margins, and the implementation of other extensive and targeted margin improving initiatives.

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

Today, the Board of Directors and the Executive Board have discussed and approved the Annual Report for 1 January - 31 December 2023 for ActionSportGames A/S.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Company's financial position at 31 December 2023 and of the results of its operations and cash flows for the financial year 1 January – 31 December 2023.

In our opinion, the Management's Review contains a fair review of the development of the consolidated and the parent's activities and financial position.

We recommend that the Annual Report is approved at the annual general meeting.

Espergærde, 29 May 2024

Executive Board

Johnny Percy Pedersen

Board of Directors

Martin Skovbjerg, Chairman

Henrik Grobelnik

Johnny Percy Pedersen

Independent Auditor's Report

To the shareholders of ActionSportGames A/S:

Opinion

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of ActionSportGames A/S for the financial year 1 January - 31 December 2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as a consolidated statement of cash flows. The Consolidated Financial Statements and the Parent Company Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2023, and of the results of the Group and Parent Company operations, as well as the consolidated cash flows for the financial year 1 January - 31 December 2023 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 Consolidated Financial Statements and the Parent Company 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 (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements 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 Consolidated Financial Statements and the Parent Company Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements and Parent Company 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 Consolidated Financial Statements and Parent Company Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements and the Parent Company Financial Statements, Management is responsible for assessing the Group's and the Parent 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 Consolidated Financial Statements and the Parent Company Financial Statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements and the Parent Company 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 of accounting information taken on the basis of these Consolidated Financial Statements and Parent Company Financial Statements.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements and the Parent Company 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 Group's and the Parent 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 Consolidated Financial Statements and the Parent Company 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 Group's and the Parent 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 Consolidated Financial Statements and the Parent Company 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 Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Consolidated Financial Statements and the Parent Company Financial Statements, including the disclosures, and whether the Consolidated Financial Statements and the Parent Company Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 Management's Review

Management is responsible for Management's Review.

Our opinion on the Consolidated Financial Statements and the Parent Company 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 Consolidated Financial Statements and the Parent Company Financial Statements, our responsibility is to read the Management's Review and, in doing so, consider whether the Management's Review is materially inconsistent with the Consolidated Financial Statements or the Parent Company Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Independent auditor's report

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 the Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's Review.

Helsingør, 29 May 2024

Aaen & Co. statsautoriserede revisorer p/s

Kongevejen 3, 3000 Helsingør - CVR nummer 33 24 17 63

Søren Appelrod

State Authorised Public Accountant

MNE23301

Accounting Policies

Basis of accounting

The 2023 Annual Report of ActionSportGames A/S has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class C, medium-size enterprises.

The accounting policies applied by the company are consistent with those of last year.

The financial statements are presented in Danish kroner (DKK).

Recognition and measurement

Revenues are recognised in the income statement as earned, which includes recognition of value adjustments of financial assets and liabilities. Furthermore, all expenses incurred, including depreciation, amortisation and impairment losses, are 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.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any deductions and with the addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report, which confirm or invalidate affairs and conditions existing at the balance sheet date.

Conversion policies

Transactions in foreign currencies are converted at the exchange rates at the dates of transaction. Exchange differences 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. If foreign exchange positions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are converted at the exchange rates on the balance sheet date. The difference between the exchange rate on the balance sheet date and the rate at the time of origin of the receivable or debt is recognised in financial income and expenses in the income statement.

Fixed assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

Accounting Policies

Income Statement

Gross profit

With reference to section 32 of the Danish financial statements act, the items "Revenue", "Other external expenses" and "Other operating income" are consolidated into one item designated "Gross profit".

Revenue

Income from the rendering of services is recognised as revenue as the services are rendered, implying that revenue corresponds to the market value of the services rendered in the year (percentage-of-completion method). Revenue is measured at fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Cost of sales comprises costs incurred to achieve revenue for the year.

Other external expenses

Other external expenses comprise the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

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

Other operating income

Other operating income includes items of a secondary nature compared to the core activities of the Company, such as profit from the sale of fixed assets and received contribution to expenses for exploration.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts relating to the financial year. Financial income and expenses comprise interest income and expenses, realised and unrealised exchange gains and losses concerning debt and transactions in foreign currencies, as well as extra payments and repayment under the on-account taxation scheme.

Corporation tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity and its Danish group entities are taxed on a joint basis. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).

Accounting Policies

Balance Sheet

Intangible assets

Acquired intangible asset, consisting of licences, trademarks and patents are measured at cost less accumulated depreciation or at the recoverable amount where this is lower. Licences, trademarks, and patents are amortised over the term of the agreement.

Development projects are measured at cost less accumulated depreciation or at the recoverable amount where this is lower. Development costs are depreciated over the term of the projects, 3-5 years.

Property, plant, and equipment

Other fixtures, fittings, tools, and equipment and leasehold improvements are measured at cost less accumulated depreciation and amortisation.

Depreciation is based on cost reduced by any expected residual value after the period of use.

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

Depreciation is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures, fittings, tools, and equipment	3-7	years
Leasehold improvements	4-6	years

Gains or losses on sale of property, plant and equipment are calculated as the difference between the sales price less sales expenses and the carrying amount at the time of the sale. Gains or losses are recognised in the income statement as other operating income or other operating expenses, respectively.

Deposits

Deposits are measured at amortised cost.

Investments in group entities

The proportionate share of the profit/loss of the individual subsidiaries after tax and full elimination of internal profit/loss and less amortisation of goodwill is recognised in the income statement.

Investments in subsidiaries and associates are recognised in the balance sheet at the proportionate share of the net asset value of the enterprises calculated under the accounting policies of the Parent Company with a deduction or addition of unrealised intercompany profits and losses and with addition or deduction of any remaining value of positive or negative goodwill stated under the purchase method.

Subsidiaries and associates with a negative net asset value are recognised at DKK 0, and any receivables from these enterprises are written down by the Parent Company's share of the negative net asset value to the extent that this is considered irrecoverable. If the negative net asset value exceeds receivables, the remaining amount is recognised in provisions to the extent that the Parent Company has a legal or constructive obligation to cover the subsidiary's losses.

Net revaluation of investments in subsidiaries and associates are transferred to reserve for net revaluation under equity under the equity method to the extent that the carrying amount exceeds the cost less amortisation of goodwill.

Newly acquired or newly founded companies are recognised in the financial statements from the time of acquisition. Companies sold or wound up are recognised until the time of sale.

Accounting Policies

Investments in group entities (continued)

On acquisition of new subsidiaries and associates, the purchase method is applied, according to which the assets and liabilities of the newly acquired companies are measured at fair value at the time of acquisition. Provision is made to cover expenses relating to restructurings decided in the acquired company in connection with the acquisition. The tax effect of the reassessments made is taken into consideration, cf. below description of goodwill.

Positive differences (goodwill) between the cost and the fair value of assets and liabilities taken over, including provisions for restructuring, are recognised in investments in group enterprises and associates and depreciated over the useful life which is determined on the basis of Management's experience within the individual business areas. The period of depreciation is 15 years. The carrying amount of goodwill is currently assessed and written down in the income statement in the cases where the carrying amount exceeds the expected future net income from the company or the activity relating to the goodwill.

Inventories

Inventories are measured at cost according to the FIFO method. In case the net realisable value is lower than cost, write-down is made to this lower value.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables, direct labour and direct production costs.

The net realisable value of inventories is stated as sales price less expenses for finalisation and expenses paid to effect sales and is determined considering saleability, obsolescence and development in expected sales price.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. Provisions are made for bad debts because of objective evidence that a receivable or a group of receivables are impaired.

Deferred income assets

Deferred income recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities, which are subject to an insignificant risk of changes in value.

Dividends

Dividends that are expected to be paid for the year are shown as a separate item under equity. Proposed dividends are recognised as a liability at the time of adoption at the Annual General Meeting.

Accounting Policies

Corporation tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the balance sheet as calculated tax on the taxable income for the year adjusted for tax on previous years' taxable income, as well as for taxes paid on account.

Deferred tax is measured under the balance sheet liability method in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. In cases of concerning shares, where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured based on the intended use of the asset or 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 either realised, by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity and jurisdiction. Any deferred net tax assets are measured at net realisable value.

Deferred tax is measured based on 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 be crystallised as current tax. For the current year, a tax rate of 22% has been applied.

Debt

Other debt is measured at amortised cost corresponding to nominal value.

Cash flow statement

The cash flow statement shows the Group cash flows for the year broken down by operating, investing and financing activities, as well as how these cash flows have affected the cash and cash equivalents for the year.

Cash flow from operating activities are presented indirectly and are calculated as the net profit/loss for the year of the Company adjusted for non-cash operating items such as depreciation, amortisation, impairment losses, and provisions, as well as changes in working capital, interest received and paid, payments concerning extraordinary items and corporation tax paid.

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment, as well as fixed asset investments.

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt, as well as payment of dividend to the shareholders.

Income statement 1 January 2023 - 31 December 2023

Note	Group		Parent Company	
	2023	2022	2023	2022
	31.414.459	39.847.699	13.692.270	19.385.616
	Gross profit			
1	Employee expense	28.578.629	27.416.627	14.846.191
2	Depreciation, amortisation and impairment losses of property, plant and equipment	3.313.246	2.911.788	2.689.621
	Profit (loss) from ordinary operating activities	-477.416	9.519.284	-3.843.542
10	Income from investments in group enterprises	0	0	1.330.825
	Other finance income	9.454	964	9.454
	Other finance expenses	3.403.357	2.145.636	2.958.169
	Profit (loss) from ordinary activities before tax	-3.871.319	7.374.612	-5.461.432
3	Tax expense	-675.400	1.425.417	-1.490.246
	Profit (loss)	-3.195.919	5.949.195	-3.971.186
	Result of the group shown as:			
	Result ActionSportGames A/S	-3.971.186	3.787.616	
	Minority interests	775.267	2.161.579	
		-3.195.919	5.949.195	

Balance sheet 31 December 2023

Assets

Note	Group		Parent Company		
	2023	2022	2023	2022	
5	Goodwill	5.043.628	5.394.997	0	0
6	Completed development projects	5.541.555	4.512.199	5.541.555	4.512.199
7	Acquired intangible assets	769.637	402.649	654.532	402.649
	Intangible assets	11.354.820	10.309.845	6.196.087	4.914.848
8	Leasehold improvements	328.469	344.172	263.281	262.122
9	Fixtures, fittings, tools and equipment	4.507.378	3.458.696	2.328.513	1.125.665
	Property, plant and equipment	4.835.847	3.802.868	2.591.794	1.387.787
10	Investments in group entities	0	0	14.077.973	13.521.657
	Long-term investments	0	0	14.077.973	13.521.657
	Non-current assets	16.190.667	14.112.713	22.865.854	19.824.292
	Inventories	86.822.556	104.621.822	70.899.341	82.769.838
	Short-term trade receivables	7.603.317	9.231.697	6.572.194	8.294.684
	Short-term receivables from group enterprises	0	0	1.251.738	1.201.051
	Short-term tax receivables	1.211.825	0	681.966	150.169
	Current deferred tax assets	0	0	451.440	0
	Other short-term receivables	752.785	892.983	500.386	618.644
	Deferred income assets	1.211.329	991.349	1.192.102	987.660
	Receivables	10.779.256	11.116.029	10.649.826	11.252.208
	Cash and cash equivalents	7.211.806	6.908.557	3.004.045	4.567.016
	Current assets	104.813.618	122.646.408	84.553.212	98.589.062
	Total assets	121.004.285	136.759.121	107.419.066	118.413.354

Balance sheet 31 December 2023

Liabilities

Note	Group		Parent Company	
	2023	2022	2023	2022
	1.111.112	1.111.112	1.111.112	1.111.112
Share capital				
Reserve for net revaluation according to equity method	0	0	8.993.498	8.220.123
Reserve for development expenditure	4.322.413	3.519.515	4.322.413	3.519.515
Retained earnings	39.632.911	44.173.704	30.638.064	35.953.581
Proposed dividend recognised in equity	0	0	0	0
Shareholders in ActionSportGames's share of equity	45.066.436	48.804.331	45.065.087	48.804.331
Minority interests	6.831.697	6.621.476	0	0
Equity	51.898.133	55.425.807	45.065.087	48.804.331
11 Provisions for deferred tax	801.924	438.723	0	356.840
Provisions	801.924	438.723	0	356.840
Short-term debt to banks	37.338.888	49.205.985	37.338.888	45.977.951
Trade payables	11.181.744	15.221.314	8.622.607	11.712.040
Payables to group enterprises	13.666.617	10.287.772	15.399.793	10.864.966
3 Tax payables	0	511.249	0	0
Other payables	6.116.979	5.668.271	992.691	697.226
Short-term debt	68.304.228	80.894.591	62.353.979	69.252.183
Total debt	68.304.228	80.894.591	62.353.979	69.252.183
Total liabilities and equity	121.004.285	136.759.121	107.419.066	118.413.354
12 Disclosure of mortgages and collaterals				
13 Liabilities under leases disclosed separately				
14 Contingent liabilities				
15 Ownership				

Equity

Group equity

	Share capital	Reserve for net revaluation according to equity method	Reserve for development expenditure	Minority interests	Retained earnings	Proposed dividend recognised in equity	Equity total
Equity 1 January 2022	1.111.112	0	3.134.967	4.828.053	41.104.590	12.000.000	62.178.722
Dividend paid						-12.000.000	-12.000.000
Currency adjustment				-368.156	-333.954		-702.110
Retained earnings		0	384.548	2.161.579	3.403.068	0	5.949.195
Equity 31 December 2022	1.111.112	0	3.519.515	6.621.476	44.173.704	0	55.425.807
Equity 1 January 2023	1.111.112	0	3.519.515	6.621.476	44.173.704	0	55.425.807
Dividend paid				-728.809		0	-728.809
Currency adjustment				163.763	233.291		397.054
Retained earnings		0	802.898	775.267	-4.774.084	0	-3.195.919
Equity 31 December 2023	1.111.112	0	4.322.413	6.831.697	39.632.911	0	51.898.133

Equity

Parent Company equity

	Share capital	Reserve for net revaluation according to equity method	Reserve for development expenditure	Retained earnings	Proposed dividend recognised in equity	Equity total
Equity 1 January 2022	1.111.112	7.354.971	3.134.967	33.749.619	12.000.000	57.350.669
Dividend paid					-12.000.000	-12.000.000
Currency adjustment				-333.954		-333.954
Retained earnings		865.152	384.548	2.537.916	0	3.787.616
Equity 31 December 2022	1.111.112	8.220.123	3.519.515	35.953.581	0	48.804.331
Equity 1 January 2023	1.111.112	8.220.123	3.519.515	35.953.581	0	48.804.331
Dividend paid					0	0
Currency adjustment				231.942		231.942
Retained earnings		773.375	802.898	-5.547.459	0	-3.971.186
Equity 31 December 2023	1.111.112	8.993.498	4.322.413	30.638.064	0	45.065.087

Share capital consists of 1.111 share of DKK 100. No shares are granted special rights.

The share capital has been increased from DKK 1.000.000 to DKK 1.111.112 in 2020.

Group cash flow statement

Note	2023	2022
Profit (loss)	-3.195.919	5.949.195
Decrease (increase) in inventories	17.799.266	-29.004.501
Decrease (increase) in receivables	1.548.598	3.427.728
Decrease (increase) in trade payables	-3.590.862	-1.078.740
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets	3.313.246	2.911.788
Adjustments of tax expense	-675.400	1.425.417
Cash flow from ordinary operating activities	15.198.929	-16.369.113
Income taxes paid (refund), classified as operating activities	-1.723.074	-4.763.520
Cash flows from operating activities	13.475.855	-21.132.633
Purchase of intangible assets, classified as investing activities	-3.449.775	-2.121.255
Purchase of property, plant and equipment, classified as investing activities	-1.864.313	-704.517
Dividends received from participating interests	0	0
Other cash flows from (used in) investing activities	0	-2.867
Cash flows from (used in) investing activities	-5.314.088	-2.828.639
Dividend paid	0	-12.000.000
Other cash flows from (used in) financing activities	629.733	-684.166
Incurrence of debt to group enterprises	3.378.845	11.062.928
Incurrence of debt to credit institutions	-11.867.097	23.195.225
Cash flows from financing activities	-7.858.519	21.573.987
Net increase (decrease) in cash and cash equivalents	303.248	-2.387.285
Cash and cash equivalents, beginning balance	6.908.557	9.295.842
Cash and cash equivalents, ending balance	7.211.805	6.908.557

Notes to the annual accounts

	Group		Parent Company	
	2023	2022	2023	2022
1 Employee expenses				
Wages/salaries	26.363.194	25.361.654	12.630.756	12.982.760
Pensions	1.916.024	1.786.021	1.916.024	1.786.021
Other social security costs	299.411	268.952	299.411	268.952
	28.578.629	27.416.627	14.846.191	15.037.733
Average number of employees	65	65	32	33
2 Depreciation, amortisation expenses and impairment loss				
Goodwill	355.991	367.980	0	0
Acquired licences, trademarks and patents	78.083	91.632	53.967	91.632
Completed development projects	1.975.348	1.570.234	1.975.348	1.570.234
Fixtures, fittings, tools and equipment	797.210	773.571	570.554	501.588
Leasehold improvements	106.614	108.371	89.752	70.148
	3.313.246	2.911.788	2.689.621	2.233.602
3 Tax expense on ordinary activities				
Tax on the taxable income for the year	-1.038.601	1.004.554	-681.966	-150.169
Increase of the provision for deferred tax	363.201	420.863	-808.280	221.280
	-675.400	1.425.417	-1.490.246	71.111
4 Proposed distribution of profit:				
Reserve for net revaluation according to equity method	0	0	773.375	865.152
Proposed dividend recognised in equity	0	0	0	0
Transferred to reserve for development expenditure	802.898	384.548	802.898	384.548
Minority interests	775.267	2.161.579		
Retained earnings	-4.774.084	3.403.068	-5.547.459	2.537.916
Total distribution	-3.195.919	5.949.195	-3.971.186	3.787.616

Notes to the annual accounts

	Group		Parent Company	
	2023	2022	2023	2022
5 Goodwill				
Purchase price, beginning of year	7.366.133	7.366.133		
Additions for the year	0	0		
Disposals for the year	0	0		
Purchase price, end of year	<u>7.366.133</u>	<u>7.366.133</u>		
Depreciation, beginning of year	1.971.136	1.661.519		
Correction due to depreciation previous year	0	0		
Depreciations for the year	355.991	367.980		
Currency adjustment	-4.622	-58.363		
Reversed depreciation on disposals for the year	0	0		
Depreciations, end of year	<u>2.322.505</u>	<u>1.971.136</u>		
Note book value, end of year	<u>5.043.628</u>	<u>5.394.997</u>		
6 Completed development projects				
Cost, beginning of year	8.761.864	6.640.609	8.761.864	6.640.609
Additions in the year	3.004.704	2.121.255	3.004.704	2.121.255
Disposals in the year	0	0	0	0
Cost, end of year	<u>11.766.568</u>	<u>8.761.864</u>	<u>11.766.568</u>	<u>8.761.864</u>
Impairment losses and depreciation, beginning of year	4.249.665	2.679.431	4.249.665	2.679.431
Amortisation/depreciation in the year	1.975.348	1.570.234	1.975.348	1.570.234
Reversal of amortisation/depreciation and impairment of disposals	0	0	0	0
Impairment losses and depreciation, end of year	<u>6.225.013</u>	<u>4.249.665</u>	<u>6.225.013</u>	<u>4.249.665</u>
Carrying amount, end of year	<u>5.541.555</u>	<u>4.512.199</u>	<u>5.541.555</u>	<u>4.512.199</u>
Amortised over	<u>3-5 years</u>	<u>3-5 years</u>	<u>3-5 years</u>	<u>3-5 years</u>

Notes to the annual accounts

	Group		Parent Company	
	2023	2022	2023	2022
7 Acquired licences, trademarks and patents				
Cost, beginning of year	1.115.837	1.115.837	1.115.837	1.115.837
Additions in the year	445.071	0	305.850	0
Disposals in the year	0	0	0	0
Cost, end of year	<u>1.560.908</u>	<u>1.115.837</u>	<u>1.421.687</u>	<u>1.115.837</u>
Impairment losses and depreciation, beginning of year	713.188	621.556	713.188	621.556
Amortisation/depreciation in the year	78.083	91.632	53.967	91.632
Reversal of amortisation/depreciation and impairment of disposals	0	0	0	0
Impairment losses and depreciation, end of year	<u>791.271</u>	<u>713.188</u>	<u>767.155</u>	<u>713.188</u>
Carrying amount, end of year	<u>769.637</u>	<u>402.649</u>	<u>654.532</u>	<u>402.649</u>
Amortised over	<u>2-20 years</u>	<u>2-20 years</u>	<u>2-20 years</u>	<u>2-20 years</u>
8 Leasehold improvements				
Cost, beginning of year	2.013.726	1.913.726	1.592.971	1.492.971
Additions in the year	90.911	100.000	90.911	100.000
Disposals in the year	0	0	0	0
Cost, end of year	<u>2.104.637</u>	<u>2.013.726</u>	<u>1.683.882</u>	<u>1.592.971</u>
Impairment losses and depreciation, beginning of year	1.669.554	1.561.183	1.330.849	1.260.701
Amortisation/depreciation in the year	106.614	108.371	89.752	70.148
Currency adjustment	0	0	0	0
Reversal of amortisation/depreciation and impairment of disposals	0	0	0	0
Impairment losses and depreciation, end of year	<u>1.776.168</u>	<u>1.669.554</u>	<u>1.420.601</u>	<u>1.330.849</u>
Carrying amount, end of year	<u>328.469</u>	<u>344.172</u>	<u>263.281</u>	<u>262.122</u>
Amortised over	<u>4-6 years</u>	<u>4-6 years</u>	<u>4-6 years</u>	<u>4-6 years</u>

Notes to the annual accounts

	Group		Parent Company	
	2023	2022	2023	2022
9 Fixtures, fittings, tools and equipment				
Cost, beginning of year	8.474.182	7.869.665	3.953.096	3.469.678
Additions in the year	1.773.402	604.517	1.773.402	483.418
Disposals in the year	0	0	0	0
Cost, end of year	<u>10.247.584</u>	<u>8.474.182</u>	<u>5.726.498</u>	<u>3.953.096</u>
Impairment losses and depreciation, beginning of year	5.015.486	4.278.146	2.827.431	2.325.843
Amortisation/depreciation in the year	797.210	773.571	570.554	501.588
Currency adjustment of disposals	-72.490	-36.231	0	0
Impairment losses and depreciation, end of year	<u>5.740.206</u>	<u>5.015.486</u>	<u>3.397.985</u>	<u>2.827.431</u>
Carrying amount, end of year	<u>4.507.378</u>	<u>3.458.696</u>	<u>2.328.513</u>	<u>1.125.665</u>
Amortised over	<u>2-10 years</u>	<u>2-10 years</u>	<u>2-10 years</u>	<u>2-10 years</u>

Notes to the annual accounts

	Parent Company	
	2023	2022
10 Investments in group entities		
Cost, beginning of year	2.678.730	2.678.730
Additions in the year	0	0
Disposals in the year	0	0
Cost, end of year	2.678.730	2.678.730
Value adjustments, beginning of year	8.220.123	7.354.971
Value adjustments in the year	1.547.884	3.148.047
Currency adjustment	231.942	-333.954
Dividends	-1.006.451	-1.948.941
Value adjustments, end of year	8.993.498	8.220.123
Added value goodwill, beginning of year	2.622.804	2.839.863
Additions in the year	0	0
Amortisation/depreciation in the year	-217.059	-217.059
Added value goodwill, end of year	2.405.745	2.622.804
Carrying amount, end of year	14.077.973	13.521.657
Income from investments in group enterprises		
The result of the year, investments in group enterprises	1.547.884	3.148.047
Amortisation/depreciation in the year, added value	-217.059	-217.059
	1.330.825	2.930.988

Long-term investments are specified as follows:

- 100% of share capital of EUR 2,000 in ActionSportGames SAS, France
- 100% of share capital of SEK 100,000 in ActionSportGames Sweden AB
- 100% of share capital of USD 1,000 in ActionSportGames USA Inc.
- 100% of share capital of GBP 100 in ActionSportGames UK Ltd.
- 100% of share capital of EUR 2,000 in ActionSportGames Greece s.m.p.c
- 58% of share capital of GBP 100 in L R Nash (SMK) Ltd

Notes to the annual accounts

	Group		Parent Company	
	2023	2022	2023	2022
11 Provisions for deferred tax				
Provisions for deferred tax, beginning of year	438.723	17.860	356.840	135.560
Adjustment of the provision for deferred tax	363.201	420.863	-808.280	221.280
Provisions for deferred tax, ultimo	801.924	438.723	-451.440	356.840
Provision for deferred tax as the following:				
Intangible assets			1.305.462	1.081.263
Property, plant and equipment			-543.530	-694.049
Tax deficit to be carried forward			-1.182.999	0
Other costs			-30.373	-30.373
			-451.440	356.840

12 Disclosure of mortgages and collaterals

As collateral for outstanding balances with Nordea A/S, a floating charge of DKK 12,500,000 with security in simple claims, inventories and goodwill, has been established.

13 Liabilities under leases disclosed separately

The Company has entered into operating leasing and leasing agreements for the following amounts:

Obligation to pay rent of DKK 3,828,000 until 31 December 2025, and obligation to pay rent of T.GBP 1,037 until 31 March 2031.

14 Contingent liabilities

The company has a general guarantee obligation on delivered products. It is not possible to value this obligation.

The company is jointly taxed with the parent company Pedersen & Grobelnik ApS as the administration company. The company is jointly and severally liable with the other jointly taxed Group companies for payment of withholding taxes payable and for corporation taxes.

15 Ownership

Related parties with significant influence over the entity:

Pedersen & Grobelnik ApS, Bakkegårdsvej 304, DK-3050 Humlebæk

Johnny Pedersen

Navnet returneret af dansk MitID var:
Johnny Percy Pedersen
Direktør
ID: 4ad5a57c-ec12-4a71-9c43-c7ce4f7f9d68
Tidspunkt for underskrift: 30-05-2024 kl.: 22:02:41
Underskrevet med MitID



Johnny Pedersen

Navnet returneret af dansk MitID var:
Johnny Percy Pedersen
Bestyrelsesmedlem
ID: 4ad5a57c-ec12-4a71-9c43-c7ce4f7f9d68
Tidspunkt for underskrift: 30-05-2024 kl.: 22:02:41
Underskrevet med MitID



Martin Skovbjerg

Navnet returneret af dansk MitID var:
Martin Skovbjerg
Bestyrelsesformand
ID: eb953e12-bb94-43d6-9116-a19d9f61a13d
Tidspunkt for underskrift: 03-06-2024 kl.: 16:08:35
Underskrevet med MitID



Martin Skovbjerg

Navnet returneret af dansk MitID var:
Martin Skovbjerg
Dirigent
ID: eb953e12-bb94-43d6-9116-a19d9f61a13d
Tidspunkt for underskrift: 03-06-2024 kl.: 16:08:35
Underskrevet med MitID



Henrik Grobelnik

Navnet returneret af dansk MitID var:
Henrik René Sunke Grobelnik
Bestyrelsesmedlem
ID: 3cdc5fca-9038-4b40-a2db-24b89c8bab7e
Tidspunkt for underskrift: 31-05-2024 kl.: 14:27:38
Underskrevet med MitID



Søren Appelrod

Navnet returneret af dansk MitID var:
Søren Appelrod
Revisor
ID: 567330cc-ffe1-4c66-9086-55c3315a7293
Tidspunkt for underskrift: 03-06-2024 kl.: 16:24:00
Underskrevet med MitID

