

balticfinance Danmark A/S

**Dronning Olgas Vej 26A, st.
2000 Frederiksberg**

CVR no. 27 95 99 54

Annual Report 2021/22

The Annual Report was presented and adopted at the company's annual general meeting on:

7 March 2023



Peter Bangsgaard
Chairman

ANNUAL REPORT 2021/22

(18. financial year)

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COMPANY INFORMATION

Company

balticfinance Danmark A/S
Dronning Olgas Vej 26A, st.
2000 Frederiksberg

Company registration number (CVR-no.)

27 95 99 54

Financial year

1 October - 30 September

Principal activities

The company's principal activities consist of insurance agency business

The company's board of directors

Klaus Krützfeldt
Philipp Brodersen
Christian Krützfeldt
Dennis Tveen Knudsen

CEO

Peter Bangsgaard

The company's auditor

Haamann A/S, State Authorized Public Accountant Firm
Filmbyen 20
2650 Hvidovre
Denmark
CVR-no. 24 25 69 95

MANAGEMENT'S STATEMENTS

The board of directors and the executive board have today presented the annual report for the financial year 1 October 2021 - 30 September 2022 for balticfinance Danmark A/S.

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

We consider the accounting policies appropriate for the annual report to provide a true and fair view of the company's assets and liabilities, financial position and performance.


Moreover, in our opinion, the management's review includes a fair review of the matters described.

Copenhagen, 23 February 2023

Executive Board:


Peter Bangsgaard

Board of Directors:


Klaus Krützfeldt
Philipp Brodersen
Christian Krützfeldt
Dennis Tveen Knudsen

INDEPENDENT AUDITOR'S REPORT

To the shareholders of balticfinance Danmark A/S

Opinion

We have audited the Financial Statements of balticfinance Danmark A/S for the financial year 1 October 2021 - 30 September 2022, which comprise income statement, balance sheet, statement of charges in equity and notes, including a summary of significant accounting policies, for the Company. The Financial Statements are prepared under the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company 30 September 2022, and of the results of the operations for the financial year 1 October 2021 - 30 September 2022 in accordance with the Danish Financial Statements Act.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 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.

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 basis the Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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 are responsible for the direction, supervision and performance of the 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 Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

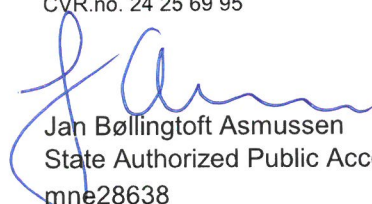
In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management's Review.

Hvidovre, 23 February 2023

Haamann A/S
State Authorized Public Accountant Firm
CVR.no. 24 25 69 95


Jan Bøllingtoft Asmussen
State Authorized Public Accountant
mne28638

MANAGEMENT'S REVIEW

The Company's principal activities

The company's principal activities consist of insurance agency business

Uncertainty as to recognition and measurement

No material uncertainties have affected the annual report.

Exceptional circumstances

The company has acquired the shares of GLOBAL FORSIKRING AGENTUR ApS in September 2022.

Development in activities and financial affairs

The company had a profit of DKK 34.730.518, which the company's management considers satisfactory.

In the coming year the company expects a satisfactory result.

Events occurring after the end of the financial year

No events have occurred after the end of the financial year that would materially affect the company's financial position

INCOME STATEMENT
1 October 2021 - 30 September 2022

	<u>Note</u>	<u>2021/22</u> <u>DKK</u>	<u>2020/21</u> <u>1.000 DKK</u>
Gross profit		51.549.151	44.799
Staff costs	1	-9.699.366	-4.444
Amortization and depreciation		<u>-416.862</u>	<u>-417</u>
Operating profit		41.432.923	39.938
Profit or loss from subsidiaries		2.109.949	1.192
Profit or loss participating interests		8.910	10
Financial income	2	964.062	187
Financial expenses		<u>-442.864</u>	<u>-202</u>
Profit before tax		44.072.980	41.125
Tax on profit for the year		<u>-9.342.462</u>	<u>-8.789</u>
Net profit for the year		<u>34.730.518</u>	<u>32.336</u>
Proposed distribution of net profit			
Dividend for the financial year		39.600.000	20.000
Extraordinary dividend		0	5.600
Net revaluation using the equity method		278.050	0
Transferred from reserve for development expenditure		-274.950	-673
Retained earnings		<u>-4.872.582</u>	<u>7.409</u>
		<u>34.730.518</u>	<u>32.336</u>

BALANCE 30 September 2022

ASSETS

	<u>Note</u>	<u>2021/22</u> DKK	<u>2020/21</u> 1.000 DKK
<u>Fixed assets</u>			
Intangible assets			
Completed development projects		1.372.500	1.725
		<u>1.372.500</u>	<u>1.725</u>
Property, plant and equipment			
Fixtures, fittings, tools and equipment		299.299	364
		<u>299.299</u>	<u>364</u>
Financial assets			
Investments in group enterprises	3	68.909.016	2.988
Participating interests		143.649	135
Other receivables		6.000.000	0
Deposits		150.094	84
		<u>75.202.759</u>	<u>3.207</u>
Fixed assets, total		<u>76.874.558</u>	<u>5.296</u>
<u>Current assets</u>			
Receivables			
Trade receivables		3.880.895	1.920
Other receivables		0	2.053
Prepaid expences		601.508	360
Corporation tax		0	17
Receiveables from group enterprises		34.475.559	8.100
Receivables from participating interests		0	40
		<u>38.957.962</u>	<u>12.490</u>
Cash and cash equivalents		<u>7.547.409</u>	<u>27.218</u>
Current assets		<u>46.505.371</u>	<u>39.708</u>
Total assets		<u>123.379.929</u>	<u>45.004</u>

BALANCE 30 September 2022

LIABILITIES AND EQUITY

	<u>Note</u>	<u>2021/22</u> <u>DKK</u>	<u>2020/21</u> <u>1.000 DKK</u>
<u>Equity</u>			
Share capital		500.000	500
Net revaluation using the equity method		278.050	0
Reserve for development expenditure		1.070.550	1.346
Retained earnings		5.178.515	10.051
Proposed dividends for the financial year		<u>39.600.000</u>	<u>20.000</u>
Total equity		<u>46.627.115</u>	<u>31.897</u>
<u>Provisions</u>			
Provisions for deferred tax		<u>448.000</u>	<u>390</u>
<u>Liabilities</u>			
Long-term liabilities other than provisions			
	4		
Corporation tax		9.284.462	9.512
Other long-term payables		<u>47.385.478</u>	<u>0</u>
		<u>56.669.940</u>	<u>9.512</u>
Short-term liabilities other than provisions			
Current portion of non-current liabilities		16.425.667	0
Trade payables		2.079.890	1.317
Payables to subsidiaries		622.832	1.555
Other payables		<u>506.485</u>	<u>333</u>
		<u>19.634.874</u>	<u>3.205</u>
Total liabilities		<u>76.304.814</u>	<u>12.717</u>
Total liabilities and equity		<u>123.379.929</u>	<u>45.004</u>
Contingent liabilities etc.	5		

STATEMENT OF CHANGES IN EQUITY

	Share capital	Net revaluation using the equity method	Reserve for development expenditure	Retained earnings	Proposed dividends for the financial year	Total
Equity 1 October 2021	500.000	0	1.345.500	10.051.097	20.000.000	31.896.597
Dividend paid					-20.000.000	-20.000.000
Net profit for the year		278.050	-274.950	-4.872.582	39.600.000	34.730.518
Equity 30 September 2022	500.000	278.050	1.070.550	5.178.515	39.600.000	46.627.115

NOTES

	2021/22 DKK	2020/21 1.000 DKK
1. <u>Staff costs</u>		
Wages and salaries	8.366.746	3.779
Pensions	1.201.859	623
Social security costs	130.761	42
	<u>9.699.366</u>	<u>4.444</u>
Average number of employees	<u>15</u>	<u>8</u>
2. <u>Financial income</u>		
Group enterprises	884.468	183
Other financial income	79.594	4
	<u>964.062</u>	<u>187</u>

3. Investments in group enterprises

Goodwill has been recognized with DKK 60,2 million on first recognition in accordance with the equity method.

4. Long-term liabilities other than provisions

For long-term liabilities, DKK 23,7 million is due for payment after 5 years.

5. Contingent liabilities etc.

The company is part of a joint taxation. The company is liable unlimited and jointly with the parent company balticfinance Holding ApS for Danish corporation tax etc. within the joint taxation. Any subsequent correction may result in the company's liability amounting to a larger amount.

The company has entered into lease and rental agreements. The maximum commitment is DKK 1.535.000.

As part of the ordinary business, the company has entered long term agreements with external agents that involve significant future commission obligations.

ACCOUNTING POLICIES

The Annual Report of balticfinance Danmark A/S for 2021/22 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B with the option of certain provisions for class C.

The accounting policies applied remain unchanged from last year.

General principles for recognition and measurement

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation and impairment losses, are also recognised in the income statement.

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

Liabilities are recognised in the Balance Sheet when it is probable that future financial benefits will flow out of the Company, and the value of the liability can be measured reliably

On initial recognition, assets and liabilities are measured at cost. Subsequent to initial recognition, assets and liabilities are measured as described below for each individual item.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, foreseeable risks and losses arising before the annual report is presented and proving or disproving matters existing on the balance sheet date are taken into consideration.

INCOME STATEMENT

Revenue

Gross profit is made up of net sales less the direct sales costs attributable to net sales and less other external costs. Other operating income and expenses comprise items of a secondary nature to the principal activity of the company.

Income from the sale of insurance products and services is recognised in the income statement from the date of delivery and when the risk has passed to the buyer and it is possible to calculate the income reliably. The revenue is calculated exclusive of VAT, charges and discounts.

Other external expenses

Other external expenses include expenses concerning distribution, sale, losses on debtors, auto operations, facilities, small purchases, administration, operational leasing costs etc.

Staff costs

Staff costs include wages and salaries, incl. holiday pay and pensions, as well as other social security costs, etc. of the company's employees.

ACCOUNTING POLICIES

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses realised and unrealised currency gains and losses etc.

Tax on net profit/loss for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax. Current and deferred tax regarding changes in equity is recognised directly in equity.

BALANCE SHEET

Intangible assets

Development projects comprise expenditures, including staff and depreciation directly attributable to the company's development activities, and fulfill the criteria for recognition.

Capitalised development costs are measured at cost less accumulated amortization or recoverable amount, if this is lower.

Capitalised development costs are amortized on a straight-line basis after completion of development work over the expected economic life, usually estimated at 7-10 years.

Tangible assets

Fixtures, fittings, tools and equipment are measured at cost less accumulated depreciation.

Cost comprises acquisition price and costs directly related to acquisition until the time when the company starts using the asset

Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	<u>Useful life:</u>	<u>Residual value:</u>
Fixtures, fittings, tools and equipment	3-7 years	5-10%

Gains or losses on disposal of non-current assets are recognised in the income statement under 'other operating income' or 'other operating costs'.

Impairment of assets

The carrying amount of non-current assets are assessed annually for indications of impairment exceeding amortization and depreciation.

Where indications of impairment exist, an impairment test is performed for each individual asset or group of assets. Where the recoverable amount is lower than the carrying amount, the carrying amount is written down to the recoverable amount.

The recoverable amount is the higher of the net selling price and the value in use. The value in use is determined as the present value of expected net cash flows from the use of the asset or the group of assets and expected net cash flows from sale of the asset or asset group at the end of the useful life.

ACCOUNTING POLICIES

Financial assets

Investments in group enterprises and participating interests are measured at the proportionate share of the equity value of the company calculated in accordance with the parent company's accounting policies adjusted for unrealised intercompany gains and losses.

The profit and loss account for the group enterprises and participating interests is recognized in the income statement.

Newly acquired companies are included in the financial statements from the acquisition date. Sold or liquidated companies are included in the income statement until the disposal date. Comparative figures are not restated for newly acquired, sold or liquidated companies.

On initial recognition, equity investments in subsidiaries and participating interests are measured at cost and the cost is allocated in accordance with the acquisition method.

The identifiable assets, liabilities and contingent liabilities of the acquired companies are measured at fair value at the acquisition date. Identifiable intangible assets are recognised provided they are separable or arise from contractual rights and the fair value can be reliably measured. Deferred tax on the revaluations made is recognised.

Positive differences (goodwill) between the acquisition cost and the fair value of the acquired identifiable assets, liabilities and contingent liabilities are recognised as goodwill. Goodwill is amortised on a straight-line basis following an individual assessment of the economic life determined based on Management's experience. Goodwill amortisation period has been determined to be 10 years. The amortisation period has been determined based on an anticipated repayment period of 10 years, as it relates to strategically acquired company with a strong market position and a long-term earnings profile.

Negative differences (negative goodwill) are recognised in the income statement on the acquisition date.

The consideration paid for a company consists of the fair value of the agreed consideration in the form of assets acquired, liabilities assumed and equity instruments issued. If part of the consideration is contingent on future events or compliance with agreed conditions, such part of the consideration is recognised at fair value at the acquisition date. Subsequent adjustments of contingent considerations are recognised in the income statement. Costs attributable to business combinations are recognised directly in the income statement as incurred.

If uncertainties concerning the identification or measurement of acquired assets, liabilities or contingent liabilities or the determination of the consideration exist, at the acquisition date, initial recognition will take place based on provisional values. If it turns out subsequently that the identification or measurement of the consideration, acquired assets, liabilities or contingent liabilities was incorrect on initial recognition, the statement will be adjusted retrospectively, including goodwill, until 12 months after the acquisition, and comparative figures will be restated. Goodwill is not subsequently adjusted. Changes in estimates of contingent considerations are recognised directly in the income statement.

Any negative value of shareholdings in group enterprises and participating interests is maximized to the company's liabilities, guarantees or liability.

Long-term receivables are measured at amortized cost, which usually corresponds to the nominal value. The value is reduced using write-downs to meet expected losses.

Leasehold deposits are recognised in the balance sheet at cost.

ACCOUNTING POLICIES

Receivables

Receivables are measured at amortised cost, usually corresponding to nominal value. The value is reduced by impairment losses for bad and doubtful debts

Tax payable and deferred tax

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

Deferred tax is measured under the balance-sheet liability method for temporary differences between the carrying amount and the tax base of assets and liabilities. In those cases, e.g. in respect of shares where the calculation of the tax value can be made according to alternative tax rules, deferred tax is measured on the basis of the planned use of the asset or settlement of the liability.

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

Deferred tax is measured on the basis of the tax regulations and rates that according to the rules in force at the reporting date, will be applicable at the time when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement. For the current year, a tax rate of 22% has been applied.

Liabilities

Financial liabilities are recognised initially at the proceeds received net of transaction costs incurred. In subsequent periods, financial liabilities are measured at amortised cost corresponding to the capitalised value using the effective interest rate, entailing that the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

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

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

On the recognition of foreign subsidiaries that are separate entities, the income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries at the exchange rates at the balance sheet date and on translation of the income statements from average exchange rates to closing rates are taken directly to equity.