

# ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2023



AH License ApS  
Central business registration  
no. 29 53 11 29  
Høgevej 19, 3400 Hillerød

Adopted at the Company's  
Annual General Meeting on  
6 June 2024

Henrik Juul Hansen,  
Chairman

**BIBS**<sup>®</sup>  
SINCE 1978

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# COMPANY DETAILS

## Company

AH License ApS  
Høgevej 19  
3400 Hillerød

Central Business Registration no. 29 53 11 29

Registered in: Copenhagen

## Board of Executives

Henrik Juel Larsen

## Board of Directors

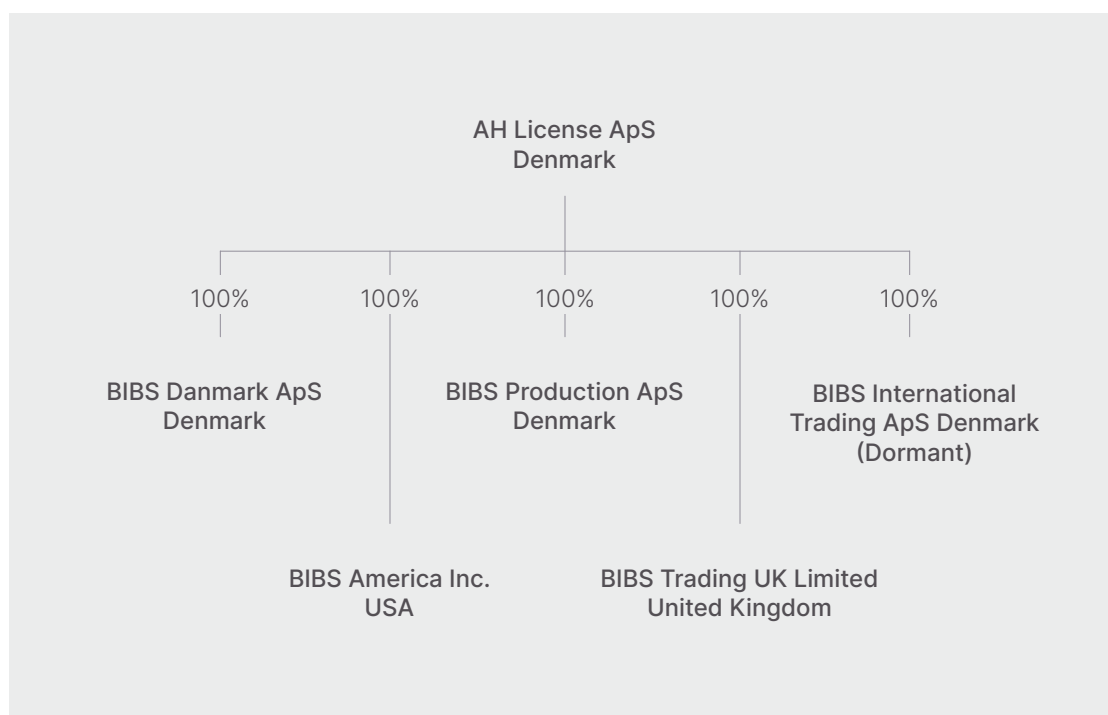
Henrik Juul Hansen  
(Chairman of the Board of Directors)  
Henrik Juel Larsen  
(Vice Chairman of the Board of Directors)  
Rasmus Emil Andersen  
(Member of the Board of Directors)  
Michael Bisgaard Christensen  
(Member of the Board of Directors)

## Company Auditors

Inforevision  
Statsautoriseret Revisionsaktieselskab  
Buddingevej 312  
2860 Søborg  
Central business registration no. 19263096

Michael Dam-Johansen, State Authorized  
Public Accountant

## Group Structure



# MANAGEMENT REVIEW

Financial highlights for the Group

## Revenue

DKK'000	2023	2022	2021	2020	2019
<b>Income statement</b>					
Gross profit/loss	154,098	103,355	136,774	63,248	7,695
Profit/loss from primary activities	70,372	39,933	104,509	53,355	7,391
Net financials	-3,249	-410	-778	-525	125
Profit/loss for the year	42,447	30,860	81,173	42,372	16,967
<b>Balance sheet</b>					
Balance sheet total	210,753	172,559	177,278	88,060	27,333
Investments in property, plant and equipment	1,936	3,729	23,378	10,249	1,140
Invested capital	59,162	61,223	69,107	25,652	1,897
Equity	30,503	27,556	81,697	41,525	25,354
<b>Cash flow statement</b>					
Cash flows from operating activities	42,178	24,897	44,682	23,065	0
Cash flows from investing activities	-5,088	-7,632	-35,855	-9,150	0
Cash flows from financing activities	-25,240	-12,232	-21,334	899	0
Changes for the year in cash and cash equivalents	11,851	5,033	-7,865	14,814	0
Average number of full-time employees	122	98	52	17	0
<b>Ratios</b>					
Return on invested capital	117	61	221	397	530
Solvency ratio	14	16	46	47	93
Return on equity	146	56	132	127	95

In accordance with ÅRL §128, 4, the group does not show the comparative figures for year 5 prior financial years. The comparative figures for 2019 only concerns the Parent company.

# MANAGEMENT'S REVIEW 2023

## Primary Activities

BIBS designs, manufactures, sources, markets and sells premium pacifiers, baby bottles and accessories with focus on design, quality, functionality, and sustainability.

AH License ApS (the "Parent") owns the production and intellectual property rights in the BIBS Group (as defined below) and holds 100% of the shares in all the subsidiaries, i.e. BIBS Production ApS ("BIBS Production"), BIBS Danmark ApS ("BIBS Denmark"), BIBS International Trading ApS ("BIBS International"), BIBS Trading UK Limited ("BIBS UK") and BIBS America Inc. ("BIBS US") (jointly referred to as the "BIBS Group").

The manufacturing and product development activities are primarily conducted by BIBS Production and the sales activities are conducted by BIBS Denmark, BIBS International, BIBS UK and BIBS US. The Group's production takes place in Hillerød with own warehouse operation in Farum. Additionally, BIBS has a 3PL solution in Denmark as well as 3PL solutions in US and UK serving the local customers in the given markets. BIBS Group distributes its products worldwide in over 100 markets in a diversified distribution model.

BIBS Group operates the Nordic countries (Denmark, Sweden, Norway, and Finland), US, UK, Germany and Poland with local management, sales, and marketing teams as Own Markets. All other markets are handled via a unique distribution model with select distributors globally. Additionally, BIBS Group operates its own online B2C brand store ([www.BIBSworld.com](http://www.BIBSworld.com)) available in several different countries and is present on global online marketplaces such as Amazon.

## Development in Activities, Financial Matters, and Business Performance In 2023

During 2023 BIBS Group has experienced continued financial growth in distribution markets, as well as online, and completed the integration of US, UK and Germany into Own Markets. BIBS increased the market share in several markets and now offers its products in over 20,000 points of sale including more than 1,700 retailers worldwide. BIBS products are present in retail channels such as department stores, grocery stores, pharmacies, and drug stores, as well as online channels (i.e. marketplaces, own webshop and e-tailers).

BIBS successfully continued the collaboration with Liberty, the famed British design house. With two collaborative collections, the iconic BIBS pacifiers and accessories were enhanced with the unique floral prints Liberty is famous for.

In 2023, the key focus was to further establish and finalize the forward integration in the US and UK and to strengthen the organization across all departments – especially in finance, supply chain, e-commerce and sales. At the same time, BIBS increased the revenue and grew double-digit on top of a strong growth in 2022. This is considered very satisfactory given the macroeconomic environment combined with internal decisions to take control of the aforementioned Own Markets, investments in production facilities and IT systems, as well as optimization of organizational capabilities.

The gross profit for 2023 of the BIBS Group is DKK 154m, a growth of DKK 51m YoY. BIBS Group was impacted by inflation and higher input costs, however, the result is in accordance

with the projections and expectations set out in our 2022 Annual Report. In addition to these external factors affecting gross profit, the profit (EBITDA) of the year has primarily been affected by three internal BIBS Group decisions. Namely, (i) taking over the UK, US and German markets from distributors and converting these markets to Own Markets like the Nordics, (ii) investing in employees and further strengthening of the organization at HQ (BIBS Denmark), and specifically within the supply chain function, and (iii) increased sales on online channels resulting in higher transportation and handling costs.

Even though the above parameters had a negative impact on the profitability in 2023, BIBS is reporting a surge in EBITDA from DKK 49m in 2022 to DKK 76m in 2023 – a growth of +55% YoY – driven by broad-based revenue growth and strong product performance on pacifiers, accessories and bottles.

Double-digit, top-line growth and EBITDA increase of +20-25% is expected in 2024. To ensure this growth in 2024 and in the years to come, controlling key markets with highly skilled local management and sales teams will have increased importance. Additionally, the BIBS Group is enhancing its e-commerce setup, developing the B2C brand store and marketplaces. Several cost-optimizing projects were initiated in 2023, for which the Group will realize full-year effects in 2024, supporting the significant expected increase in EBITDA.

## The History

The BIBS Group is a premium Danish baby brand founded in 1978. The original and iconic BIBS pacifier (Colour) has been on the market for over 45 years. Since then, the pacifiers have

been adapted, improved, and enhanced so they all appear in a beautiful design, made of the best and safest material on the market. Several uniquely designed pacifiers have been added over the last years to redefine the shape, form and feel of a pacifier, which is a key component for the continued growth of the BIBS Group.

One of the keys to the success of BIBS is the honest and professional service we provide. We are honored by the trust that our customers and consumers show us. We achieve this only thanks to the efforts of our dedicated employees and their commitment to the development of the BIBS Group. We have continued our growth journey by hiring an experienced and dedicated top management team and by employing an additional 24 people in 2023 (98 to 122 FTEs) to provide the best service to our Own Markets, distributors, and customers around the world.

To support its growth strategy, the BIBS Group continues to invest in research and development. Costs related hereto are primarily associated with development costs related to new products, as well as further development of the existing pacifiers and other products in the product portfolio.

BIBS Group management has high expectations of the market potential of the markets recently converted to Own Markets: the US, the UK, Germany, and Poland (Poland to be fully integrated in 2024).

## ESG

One of BIBS' four central strategic brand pillars is "HOW WE ACT: Responsibility and Caring". This brand pillar reflects BIBS' dedication to fostering sustainable and ethical business

# MANAGEMENT'S REVIEW 2023, CONTINUED

practices and their commitment to making a positive global impact. BIBS has implemented several initiatives to reduce environmental impact, including the preparation of an ESG report. This represents a critical moment that will shape the trajectory of future business initiatives, as BIBS aspires not only for commercial success, but also for a legacy of which they can be proud. Guided by the UN's Sustainable Development Goals, BIBS focuses on three critical topics that will serve as the foundation for their initiatives: 1) Reducing Waste, 2) Combating Climate Change, and 3) Promoting Equality. This marks a crucial step as BIBS outlines the themes and topics that will shape their future ESG strategy. BIBS acknowledges that this year lays the groundwork for future progress and that these baselines will guide BIBS in creating ambitious yet realistic targets to drive their future ESG progress and accountability. BIBS recognizes that the journey ahead is multifaceted and demanding. However, BIBS firmly believes that by working together and fostering a greater culture of transparency and responsibility, we can overcome these challenges and help create a better future for generations to come.

The BIBS Group purchases certificates from its electricity provider to document that electricity used in production facilities comes from renewable energy sources in Europe. BIBS uses FSC-approved cardboard when possible, and all our packaging is produced in accordance with applicable legislation.

BIBS strives to improve and reduce its environmental impact by minimizing the use of packaging, using recycled materials to the extent possible, and optimizing transportation.

## Branches Abroad

All international activities are either conducted via wholly controlled subsidiaries or local distributors.

## Future Expectations

The BIBS Group will – in continuation of the strategy – further develop and strengthen its position in the market for baby and maternity products. BIBS will further invest in existing markets, new products meeting consumer demand, and marketing activities to further increase the brand and product awareness globally. Additionally, the company will continue to invest in digitalization and e-commerce platforms.

## Financial Risks

The BIBS Group uses no external financial sources and uses no financial instruments to counter fluctuations in exchange rates. Management expects production costs to be more stable in the coming years. BIBS Group has solid control over the supply chain via its own production site and long-term relationships with key suppliers.

## Research and Development Activities

During the year, the Group has initiated several development projects for new products. These projects are designed to support the company's long-term strategy and are expected to contribute positively to both liquidity and revenue in the coming years. The projects include the development of new products within the same product categories that the company currently markets.

These projects have been assessed for their technical feasibility and their ability to generate economic returns before capitalization, in accordance with IAS 38 (Intangible Assets).



Amortization of intangible assets occurs linearly over their useful life, which is estimated to be 7 years based on the expected obsolescence of the products' designs. Investments in new development projects are crucial to ensuring the company's competitiveness and growth.

In BIBS Denmark, the development of proprietary webshops has been initiated to support the Group's strategic focus on online commerce. In BIBS Production, the implementation of a production-batch management system has been initiated to support improved product and inventory management.

### **Incorrect Allocation of Indirect Cost**

During the preparation of the annual accounts, our finance department has identified errors in the inventory valuation for 2021 and 2022. These errors were due to the double allocation of certain indirect costs to the inventory and a mistake in the consolidated inventory valuation. These errors resulted in an overstatement of the inventory value for both years.

Upon discovering these errors, immediate steps were taken to correct them in the financial reports for the current year, including adjustments to the comparative figures. The incorrectly allocated costs have been reversed, ensuring that the inventory value now accurately reflects the actual costs. To prevent future occurrences, we have implemented the following initiatives: (i) further professionalization and strengthening of the finance department, (ii) adjustments to our cost allocation procedures to ensure accuracy in future allocations, (iii) implementation of additional control measures, including regular internal audits of allocations and cost recordings, as well as extended external audits of inventory

value in the annual accounts to ensure accuracy, and (iv) implementation of the FIFO principle based on the actual bill of materials for the items.

### **Subsequent Events**

No other events materially affecting the assessment of the Annual Report have occurred after the end of the 2023 financial year.

### **Uncertainty Connected with Recognition and Measurement**

The BIBS Group has a normal level of outstanding receivables from debtors. BIBS Denmark has filed a claim for damages against a competitor regarding product replica. The case is expected to be finalized in 2024. Management expects a favorable ruling in the case. The Danish Maritime and Commercial Court has granted BIBS Denmark an injunction against the competitor. In relation to the injunction, BIBS Denmark has reserved a security deposit of DKK 10m.

# INDEPENDENT AUDITOR'S REPORT

To the shareholders of AH License ApS

## Opinion

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of AH License ApS for the financial year 1 January to 31 December 2023, which comprise the accounting policies applied, the income statement, the balance sheet, statement of changes in equity and notes for both the Group and the Parent Company, as well as the cash flow statement for the Group. The Consolidated Financial Statements and the Parent Company Financial Statements are prepared under 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 Group's and the Parent Company's financial position at 31 December 2023, and of the results of the Group's and Parent Company's operations and the Group's cash flows for the financial year 1 January to 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 below section "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements" section.

We are independent of the Group 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 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 the 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 taken on the basis of these Consolidated Financial Statements and Parent Company 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 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

# INDEPENDENT AUDITOR'S REPORT, CONTINUED

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 the 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 Management's Review and, in doing so, consider whether 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.

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

Søborg, 6 June 2024

Inforevision  
Statsautoriseret Revisionsaktieselskab  
(Central business registration no. 19263096)

Michael Dam-Johansen  
State Authorized Public Accountant  
mne36161





# STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The Board of Directors and Board of Executives have today discussed and approved the Annual Report for the financial year 1 January - 31 December 2023 of AH License ApS.

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

In our opinion the Consolidated Financial Statements and the Parent Company's Financial Statements give a true and fair view of the Group's and the Parent Company's financial position at 31 December 2023 and of the result of the Group and the Parent Company's operations and the Group's cash flow for the financial year 1 January - 31 December 2023.

In our opinion, the Management's Review includes a fair review of the matters the review deals with. We recommend that the Annual Report be approved at the Annual General Meeting

Hillerød, 6 June 2024

## Board of Executives

**Henrik Juel Larsen**  
CEO

## Board of Directors

**Henrik Juul Hansen**  
Chairman of the Board of Directors

**Rasmus Emil Andersen**  
Member of the Board of Directors

**Henrik Juel Larsen**  
Vice Chairman of the Board of Directors

**Michael Bisgaard Christensen**  
Member of the Board of Directors

# FINANCIAL STATEMENTS

## Income Statement

DKK	GROUP		PARENT		Note
	2023	2022	2023	2022	
<b>Gross profit</b>	<b>154,098,241</b>	<b>103,355,130</b>	<b>90,350,439</b>	<b>24,773,404</b>	
Staff costs	-77,905,496	-54,436,722	0	0	1
<b>Profit before depreciation, interest and tax</b>	<b>76,192,745</b>	<b>48,918,408</b>	<b>90,350,439</b>	<b>24,773,404</b>	
Amortization, depreciation, and impairment for loss of intangible and tangible fixed assets	-5,821,125	-8,985,077	-4,444,048	-7,851,428	6
<b>Operating profit</b>	<b>70,371,620</b>	<b>39,933,331</b>	<b>85,906,391</b>	<b>16,921,976</b>	
Income from investments in group enterprises	0	0	-2,411,496	22,046,330	7,8
Other financial income	765,892	1,148,905	3,107,864	1,101,686	2
Other financial expenses	-4,015,378	-1,559,001	-280,589	-111,833	3
<b>Profit before tax</b>	<b>67,095,931</b>	<b>39,523,235</b>	<b>86,322,170</b>	<b>39,958,159</b>	
Tax on profit for the year	-24,674,835	-8,663,581	-20,143,828	-3,295,099	4
<b>Profit for the year</b>	<b>42,447,300</b>	<b>30,859,654</b>	<b>66,178,342</b>	<b>36,663,060</b>	<b>5</b>



## Assets

DKK	GROUP		PARENT		Note
	31/12 2023	31/12 2022	31/12 2023	31/12 2022	
Rights	3,110,185	3,496,505	3,110,185	3,496,505	
Other similar rights originating from development projects	1,072,135	1,275,205	0	0	
Development projects in progress	1,893,057	0	1,277,400	0	
<b>Intangible assets</b>	<b>6,075,377</b>	<b>4,771,710</b>	<b>4,387,585</b>	<b>3,496,505</b>	<b>6</b>
Leasehold improvements	1,734,926	1,539,476	0	0	
Plant and machinery	22,513,558	25,274,042	21,290,147	23,859,416	
<b>Property, plant and equipment</b>	<b>24,248,484</b>	<b>26,813,518</b>	<b>21,290,147</b>	<b>23,859,416</b>	<b>7</b>
Investments in group enterprises	0	0	660,658	28,201,342	
Other receivables	11,714,698	11,186,295	10,000,000	10,000,000	
<b>Fixed asset investments</b>	<b>11,714,698</b>	<b>11,186,295</b>	<b>10,660,658</b>	<b>38,201,342</b>	<b>8,9</b>
<b>Fixed assets</b>	<b>42,038,559</b>	<b>42,771,523</b>	<b>36,338,390</b>	<b>65,557,263</b>	
Finished goods and goods for resale	45,793,661	34,890,181	0	0	
Work in progress	13,386,942	0	0	0	
Raw materials and consumables	5,604,048	9,322,126	0	0	
<b>Inventories</b>	<b>64,784,651</b>	<b>44,212,307</b>	<b>0</b>	<b>0</b>	
Trade receivables	37,899,581	36,858,350	0	0	
Receivables from group enterprises	708,830	0	181,601,240	88,773,567	
Other receivables	19,743,515	15,702,288	2,834,865	0	
Prepayments	1,474,763	816,087	0	33,294	10
<b>Receivables</b>	<b>59,860,014</b>	<b>53,376,725</b>	<b>184,436,105</b>	<b>88,806,861</b>	
<b>Cash</b>	<b>44,069,381</b>	<b>32,198,675</b>	<b>6,680,992</b>	<b>770,319</b>	
<b>Current assets</b>	<b>168,714,046</b>	<b>129,787,707</b>	<b>191,117,097</b>	<b>89,577,180</b>	
<b>Total assets</b>	<b>210,752,605</b>	<b>172,559,230</b>	<b>227,455,487</b>	<b>155,134,443</b>	

# FINANCIAL STATEMENTS

## Balance Sheet at 31 December 2023

### Equity and Liabilities

DKK	GROUP		PARENT		Note
	31/12 2023	31/12 2022	31/12 2023	31/12 2022	
Share capital	125,200	125,200	125,200	125,200	11
Reserve for net revaluation according to the equity method	0	0	0	0	
Retained earnings	2,378,249	-12,069,052	36,556,449	-1,621,893	
Proposed dividends for the financial year	28,000,000	39,500,000	28,000,000	39,500,000	
<b>Equity</b>	<b>30,503,449</b>	<b>27,556,148</b>	<b>64,681,649</b>	<b>38,003,307</b>	
Provision for deferred tax	1,992,361	1,528,867	1,572,025	1,159,627	4
<b>Provisions</b>	<b>1,992,361</b>	<b>1,528,867</b>	<b>1,572,025</b>	<b>1,159,627</b>	
Other payables	0	482,317	0	0	
<b>Long-term liabilities other than provisions</b>	<b>0</b>	<b>482,317</b>	<b>0</b>	<b>0</b>	<b>12</b>
Current portion of long-term liabilities other than provisions	483,942	328,788	0	0	12
Other credit institutions	20,213	279	0	0	
Trade payables	14,735,423	12,975,603	800,883	575,562	
Payables to group enterprises	126,739,231	111,769,907	140,667,791	111,769,908	
Joint tax contribution payables	20,700,461	7,153,718	19,731,430	3,333,241	4
Other payables	15,577,525	10,763,603	1,709	292,798	
<b>Short-term liabilities other than provisions</b>	<b>178,256,795</b>	<b>142,991,898</b>	<b>161,201,813</b>	<b>115,971,509</b>	
<b>Liabilities other than provisions</b>	<b>178,256,796</b>	<b>143,474,215</b>	<b>161,201,813</b>	<b>115,971,509</b>	
<b>Total equity and liabilities</b>	<b>210,752,605</b>	<b>172,559,230</b>	<b>227,455,487</b>	<b>155,134,443</b>	

Additional notes:

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- 15 Contingent liabilities
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- 18 Adjustments (cash flow)

## Statement of Changes in Equity

DKK	THE GROUP				
	Share capital	Reserve for revaluation	Retained earnings	Proposed dividends	Total
<b>Equity at 1/1 2022</b>	<b>125,200</b>	<b>0</b>	<b>1,215,047</b>	<b>85,000,000</b>	<b>86,340,247</b>
Adjustment material errors	0	0	-4,643,753	0	-4,643,753
Dividends paid	0	0	0	-85,000,000	-85,000,000
Transferred from distribution of profit/loss	0	0	-8,640,346	39,500,000	30,859,654
<b>Equity at 1/1 2023</b>	<b>125,200</b>	<b>0</b>	<b>-12,069,052</b>	<b>39,500,000</b>	<b>27,556,148</b>
Dividends paid	0	0	0	-39,500,000	-39,500,000
Transferred from distribution of profit/loss	0	0	14,447,300	28,000,000	42,447,300
<b>Equity at 31/12 2023</b>	<b>125,200</b>	<b>0</b>	<b>2,378,249</b>	<b>28,000,000</b>	<b>30,503,449</b>

## Statement of Changes in Equity

DKK	PARENT				
	Share capital	Reserve for revaluation	Retained earnings	Proposed dividends	Total
<b>Equity at 1/1 2022</b>	<b>125,200</b>	<b>1,158,829</b>	<b>56,218</b>	<b>85,000,000</b>	<b>86,340,247</b>
Dividends paid	0	0	0	-85,000,000	-85,000,000
Transferred from distribution of profit/loss	0	-1,158,829	-1,678,111	39,500,000	36,663,060
<b>Equity at 1/1 2023</b>	<b>125,200</b>	<b>0</b>	<b>-1,621,893</b>	<b>39,500,000</b>	<b>38,003,307</b>
Dividends paid	0	0	0	-39,500,000	-39,500,000
Transferred from distribution of profit/loss	0	0	38,178,342	28,000,000	66,178,342
<b>Equity at 31/12 2022</b>	<b>125,200</b>	<b>0</b>	<b>36,556,449</b>	<b>28,000,000</b>	<b>64,681,649</b>

The total share capital consists of 125,200 shares of each 1 DKK.

The company has committed share options and warrants to key employees, Management, employees in Group companies, consultants and board members, which can be subscribed for in the company for a nominal amount of up to DKK 6,590. The share options are granted warrants that can be exercised in case of a decision by the Board of Directors no later than June 30, 2026. As of December 31, 2023, no share options and warrants have been granted.

# FINANCIAL STATEMENTS

## Cash Flow Statement

DKK	GROUP		PARENT		Note
	2023	2022	2023	2022	
Profit for the year	42,447,300	30,859,654	66,178,342	36,663,060	
Amortization, depreciation, and impairment for loss of intangible and tangible fixed assets	5,821,124	8,985,077	4,444,048	7,851,428	6,7
Adjustments	26,366,433	9,073,676	22,557,236	-22,570,272	17
Change in trade receivables	-1,041,205	7,872,330	0	0	
Change in trade payables	1,759,820	24,723	225,321	-5,990,438	
Change in other working capital items	-20,785,487	-8,421,076	-3,092,660	2,220,715	
<b>Cash from operating profit/loss</b>	<b>56,092,519</b>	<b>48,394,384</b>	<b>90,312,287</b>	<b>18,174,493</b>	
Financial income	765,892	1,148,905	3,107,864	1,101,686	2
Financial expenses	-4,015,378	-1,559,001	-280,589	-111,833	3
Income tax paid/refund	-10,664,597	-23,086,799	-3,333,241	-2,563,640	4
<b>Cash flows from operating activities</b>	<b>42,178,437</b>	<b>24,897,489</b>	<b>89,806,321</b>	<b>16,600,706</b>	
Acquisition of intangible assets	-2,624,054	-3,329,949	-1,952,368	-2,525,186	6,7
Acquisition of property, plant and equipment	-1,935,704	-3,728,605	-813,490	-2,684,042	6,7
Acquisition of fixed asset investments	-528,403	-573,378	-5,000,000	-2,000,871	6,7
Dividends received	0	0	27,300,000	71,850,000	8
Sales of fixed asset investments	0	0	0	0	8
<b>Cash flows from investing activities</b>	<b>-5,088,161</b>	<b>-7,631,932</b>	<b>19,534,142</b>	<b>64,639,901</b>	
Dividends paid	-39,500,000	-85,000,000	-39,500,000	-85,000,000	
Transactions with group	14,260,497	72,767,873	-63,929,790	3,500,398	
<b>Cash flows from financing activities</b>	<b>-25,239,503</b>	<b>-12,232,127</b>	<b>-103,429,790</b>	<b>-81,499,602</b>	
<b>Changes for the year in cash and cash equivalents</b>	<b>11,850,773</b>	<b>5,033,430</b>	<b>5,910,673</b>	<b>-258,995</b>	
Cash and cash equivalents at 1/1 2023	32,198,396	27,164,966	770,319	1,029,314	
<b>Cash and cash equivalents at 31/12 2023</b>	<b>44,049,169</b>	<b>32,198,396</b>	<b>6,680,992</b>	<b>770,319</b>	
<b>That can be specified as:</b>					
Cash	44,069,381	32,198,675	6,680,992	770,319	
Other credit institutions (short term)	-20,213	-279	0	0	
<b>Cash and cash equivalents at 31/12 2022</b>	<b>44,049,169</b>	<b>32,198,396</b>	<b>6,680,992</b>	<b>770,319</b>	



# SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Annual Report has been prepared in accordance with Danish financial statements legislation, as well as generally accepted accounting principles.

The Annual Report has been prepared in accordance with the reporting requirements of the Danish Financial Statements Act of class C enterprises for medium-sized enterprises.

The accounting policies have not been changed from last year.

## Adjustment of Previous Years Errors and Changes in Comparative Figures

The Group has adjusted inventories. The adjustment is recognized in the comparative figures in equity at the beginning of the year and comparative figures as a whole have been adjusted.

During the year, the Group realized that inventories in 2022 were overvalued by DKK 10m and inventories in 2021 were overvalued by DKK 5.9m. The adjustment is recognized in the comparative figures in equity at the beginning of the year and the comparative figures as a whole are adjusted.

The information below disclose the effect of the adjustment on balance sheet, as well as the effect on the financial year profit/loss comparing with profit/loss if no changes had been made.

- Equity as of 1 January 2022 is decreased by DKK 4,643m.
- Gross profit as of 31 December 2022 is decreased by DKK 10,005m.
- Profit/loss for the year 2022 before taxes is decreased by DKK 10,005m.

- Profit/loss for the year 2022 is decreased by DKK 7,803m.
- Inventories as of 31 December 2022 is decreased by DKK 15,958m.
- Tax on profit/loss for the year as of 31 December 2022 is decreased by DKK 2,201m.
- Equity as of 31 December 2022 is decreased by DKK 12,447m of which DKK 15,958m relates to the inventories.
- Corporation tax is positively affected by the tax for 2022, DKK 2,201m and the tax effect of the correction for 2021, DKK 1,310m, in total DKK 3,510m.

## Change in Accounting Estimates

The company's management has reviewed the parent company's accounting estimates in accordance with ISA 540.

The useful life has been set to 7 years for intangible assets, previously it was 5 years, and to 5-10 years for plant and machinery, previously it was 5 years. It is Management's assessment that the change in accounting estimate results in a more accurate measurement of the company's development costs and plant and machinery.

Comparative figures have not changed accordingly, but the effect will have a positive impact on future results.

## Recognition and Measurement

The financial statements have been prepared based on historical cost.

The income is recognized in the income statement as earned. Value adjustments of financial assets and liabilities measured at fair value or amortized cost are recognized.

Furthermore, all costs incurred to earn the profit or loss for the year have been recognized in the income statement, including amortization, depreciation, write-down and provisions, as well as reversals as a consequence of changed accounting estimates of amounts previously recognized in the income statement.

Assets are recognized in the balance sheet when it is probable that future economic benefits will flow into the Company, and the value of the asset can be measured reliably.

Liabilities are recognized 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.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each financial statement item.

Certain financial assets and liabilities are measured at amortized cost, by which a constant redemption yield is recognized over the term. Amortized cost is calculated as original cost less instalments and addition/ deduction of the accumulated amortization of the difference between cost and the nominal amount. Thereby, capital and exchange losses or gains are allocated over the term.

On recognition and measurement, anticipated losses and risks that appear before presentation of the Annual Report and which confirm or invalidate affairs or conditions existing at the balance sheet date are considered.

The functional currency is Danish kroner, DKK. All

other currencies are considered foreign currencies.

## Foreign Currency Translation

During the year, transactions in foreign currencies have been translated by applying the exchange rate at the transaction date. If currency positions are considered a hedge of future cash flows, the value adjustments are recognized directly in equity.

Receivables and debt denominated in foreign currencies have been recognized at the exchange rate of the balance sheet date.

Realized and unrealised exchange gains and losses have been recognized in the income statement under other financial income and expenses.

## Consolidated Financial Statement

The Consolidated Financial Statements comprise the Parent Company and the enterprises (Group enterprises) controlled by the parent company. The Parent Company is deemed to be controlling an enterprise when it directly or indirectly controls more than 50% of the voting rights or is otherwise able to exercise control or de facto control with respect to the economic and operational decisions in the enterprise.

The Consolidated Financial Statements are prepared on the basis of the audited financial statements of the Parent Company and the Group enterprises by the adding together of items of a uniform nature.

In the preparation of the Consolidated Financial Statements, all intercompany balances, income and expenses, as well as gains and losses arising from transactions between the Group enterprises have been eliminated.

# ACCOUNTING POLICIES CONTINUED

Equity investments in the Group enterprises have been eliminated by the Group enterprises' proportionate shares of the equity value.

The financial statements used for the purpose of consolidation have been prepared in accordance with the consolidated accounting policies. The net profit or loss for the year and the equity of foreign enterprises have been expressed in DKK (Danish kroner).

Where Group enterprises have been acquired, the balance resulting from the elimination has to the extent possible been distributed on the assets and liabilities of the Group enterprises whose value is above or below the amount at which they were booked when the Group relation was established. Any remaining positive balance is treated as consolidated goodwill and stated under intangible assets. A negative difference reflecting an expected cost or an unfavourable development is recognized as income in the income statement in the year of acquisition.

## Income Statement

The income statement has been classified by nature.

### Gross profit/loss

The Company has aggregated the items "revenue", "change in inventories of goods for resale", as well as "external expenses".

### Revenue

As income recognition criterion, the completed contract method is applied so that revenue comprises invoiced revenue for the year. Revenue from the sale of goods for resale is recognized in the income statement when delivery is made and risk has passed to the buyer before the end

of the financial year. Revenue is measured at fair value excl. VAT and less granted goods and customer discounts.

### Other operating income

Other operating income comprises income of a secondary nature, as viewed in relation to the company's primary activities, including payments received from public authorities, as well as profit on sale of fixed assets.

### External expenses

External expenses comprise cost of raw materials and consumables, as well as selling costs, office costs and administrative expenses.

### Staff costs

Staff costs include among others wages and salaries (including holiday pay and pensions, and other social security costs etc.) to the Company's employees. Staff costs are reduced with payments received from public authorities.

### Income from investments in Group enterprises

Income from investments in Group enterprises comprises the pro rata share of the Group enterprises' operating profit/loss adjusted for internal profits and losses less annual amortization of goodwill on consolidation.

### Other financial income

Financial income is recognised with amounts concerning the the financial year. Financial income comprise interest, as well as realized and unrealized exchange gains.

### Other financial expenses

Financial expenses are recognized with amounts concerning the financial year. Financial items comprise interest, realized and unrealized



exchange gains and losses, as well as interest surcharge and interest reimbursements under the Danish Tax Prepayment Scheme.

#### **Tax on profit or loss for the year income taxes**

Tax on profit or loss for the year represents 22% of the book profit or loss adjusted for non-taxable and non-deductible items.

Tax on profit or loss for the year consists of the anticipated tax portion of the taxable income for the year adjusted for the changes for the year in deferred tax. Changes in deferred taxes due to the adjustment of tax rates are recognized in the income statement.

The Company is jointly taxed with other Danish Group enterprises, with AH Group Holding ApS as management company. The tax effect of the joint taxation is allocated among the Group enterprises in ratio to their taxable income according to the rules on full allocation, with a refund for tax losses of the Danish Corporation Tax Act.

Corporation tax relating to the financial year, which has not been settled at the balance sheet date, is to be classified as corporation tax in receivables or liabilities other than provisions.

Joint tax contributions between the jointly taxed companies, which have not been settled at the balance sheet date are classified as joint tax contributions in receivables or liabilities.

The Company is subject to the Danish Tax Prepayment Scheme. Interest reimbursement and interest surcharge have been recognized in financial income and expenses.

## **Balance Sheet**

The balance sheet has been presented in account form.

### **Assets**

#### **Intangible assets**

Intangible assets are measured at cost less accumulated amortization.

Assets are amortized on a straight-line basis over their estimated useful lives:

Rights 7 yrs.

Other similar rights originating from development projects 7 yrs.

The depreciation period for goodwill is determined as an overall assessment of the acquired company's market position, earnings profile and expectations of customers loyalty.

Profit/loss on sale has been included in the income statement under other operating income and other operating expenses.

#### **Property, plant and equipment**

Property, plant, and equipment are measured at cost less accumulated amortization and depreciation. The basis of amortization and depreciation is cost less estimated residual value after the end of useful life.

Cost comprises the acquisition price, as well as costs directly related to the acquisition until the time when the asset is ready to be put into operation. For self-produced property, plant, and equipment, indirect production costs are also included. Indirect production costs include in-

# ACCOUNTING POLICIES CONTINUED

direct materials and payroll, as well as maintenance and depreciation of production equipment applied for the production of the assets.

The cost price for an asset is divided into separate components that are depreciated separately if the useful life of the individual components is significantly different.

Depreciation is initiated when the assets are ready to be taken into operation. Assets are depreciated on a straight-line basis over their estimated useful lives with following residual values:

	Useful lives	Residual value
Leasehold improvements	5 – 10 yrs.	0%
Plant and machinery	5 – 10 yrs.	0%
Other fixtures	5 – 10 yrs.	0%

Minor purchases with useful lives below one year have been recognized as expenses in the income statement in external expenses.

Profit/loss on sale or retirement has been included in the income statement under other operating income and other operating expenses.

## Leasing

Property, plant and equipment that are assets held under lease, and meet the conditions for financial leasing, are accounted for according to the same guidelines as owned assets. Assets held under lease are recognized in the balance sheet at the lower of fair value and present value of the future lease payments. On calculation of the present value, the internal interest rate of the lease is applied as discount

factor or an approximate value thereof. Assets held under finance lease are depreciated and written down according to the same policies as are determined for the Company's remaining fixed assets.

The capitalized remaining lease commitment is recognized in the balance sheet as a liability other than provisions, and the interest portion of lease payments is recognized over the term of the lease in the income statement.

Remaining leases are considered operating leases. Payments in relation to operating leases are recognized on a straight-line basis in the income statement over the term of the lease.

## Impairment of intangible assets and property, plant, and equipment

The carrying amount of intangible assets and property plant and equipment is reviewed annually for indication of impairment for loss, apart from what is expressed by usual amortization and depreciation. If this applies, impairment for loss is made of each asset or group of assets, respectively, to lower recoverable amount.

As recoverable amount, the higher of expected net selling price and net present value is applied. The net present value is calculated as the present value of the anticipated cash flows from the use of the asset or the group of assets.

Impairment for loss for the year is recognized in the income statement as amortization, depreciation and impairment for loss of property, plant, and equipment and intangible assets.

## Investments in Group enterprises

Investments in Group enterprises have been

recognised according to the equity method, so that the investment is measured at the pro rata share of the Group enterprises' net asset value adjusted for internal dividends and gains.

Distributable reserves in Group enterprises, which are distributed as dividends to the Parent at the balance sheet date are included in the value of investments.

Group enterprises with negative net asset values are measured at zero, and any receivable from such enterprises is written down by the Parent's share of the negative net asset value to the extent deemed irrecoverable. If the negative net asset value exceeds the amount receivable, the remaining amount is recognized in provisions to the extent the Parent has a legal or constructive obligation to cover the relevant enterprise's liabilities.

Acquisition of Group enterprises are recognized at cost. The difference between the cost price and the net asset value of the acquired company, which appears at the time of establishing the consolidation, is as far as possible allocated to the assets and liabilities whose value is higher or lower than the carrying amount. A remaining positive difference is treated as goodwill and included in the value of investments, which is amortized in the income statement. A negative difference, reflecting an expected cost or an unfavourable development, is recognized as income in the income statement in the year of acquisition.

The total net revaluation of investments in Group enterprises is allocated via the profit distribution to "reserve for net revaluation according to the equity method" under

equity. The reserve is reduced by dividend distributions to the Parent and is adjusted by changes in equity in the Group enterprises.

#### **Other receivables (fixed assets)**

Other receivables recognized under fixed assets comprise rental deposits measured at amortized cost, which usually correspond to a nominal amount. In events when the carrying amount exceeds the recoverable amount, impairment for loss is made to such lower value. Impairment for loss for the year is recognized in the income statement as impairment for loss of financial assets.

#### **Inventories**

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

Cost of goods for resale, as well as raw materials and consumables, comprises purchase price plus landing costs.

Cost of own-produced finished goods, as well as work-in-progress comprises cost of raw materials, consumables and plus indirect production costs. Indirect production costs include indirect materials and wages, as well as maintenance and depreciation of the production equipment applied for the production.

The net realizable value of inventories is calculated at the amount expected to be generated by sale in the process of normal operations with deduction of selling expenses and costs of completion. The net realizable value is determined allowing for marketability, obsolescence and development in expected sales sum.

# ACCOUNTING POLICIES CONTINUED

## Receivables

Receivables are measured at amortized cost, which usually correspond to a nominal value. The value is reduced by write-down for bad debt according to an individual assessment.

## Prepayments

Prepayments comprise costs incurred relating to subsequent financial years.

## Equity and Liabilities

### Equity

Management's proposed dividends for the financial year are disclosed as a separate item in equity.

Reserve for net revaluation according to equity method comprises net revaluation in Group enterprises. The reserve is reduced by dividend distributed to the Parent and adjusted for other equity movements in the Group enterprises. The reverse may be eliminated with negative retained earnings. The reserve is reduced or dissolved when divesting the Group enterprises.

### Provision for deferred tax

Deferred tax is measured according to the liability method. A 22 % deferred tax provision has been made on all temporary differences between carrying amount and tax-based value of assets and liabilities.

Deferred tax is also measured with respect to the planned use of the asset and the settlement of the liability. The tax value of the tax losses to be carried forward is included in the calculation of deferred taxes if it is probable that the losses can be utilised.

Deferred tax assets which are not expected to be utilised within a few years have been disclosed in notes under contingent assets.

### Financial debts

Short-term debts are measured at amortized cost, substantially corresponding to nominal value.

Financial liabilities are recognized when raising the loan at the proceeds received after deduction of borrowing costs, directly addressed by the loan. In subsequent periods, financial liabilities are measured at amortized cost equal to the capitalized value using the effective interest rate, so the difference between the proceeds and the nominal value is recognized in the income statement over the loan period.

Financial debts also include the capitalized residual obligation on finance leases.

### Cash Flow Statement

The cash flow statement shows the Group's and the Company's cash flows for the year, as well as the Group's and the Company's cash and cash equivalents at year-end.

Cash flows from acquisitions and divestments are shown separately under cash flows from investing activities. In the cash flow statement, cash flows regarding acquired companies are recognized from the date of acquisition and cash flows from divested companies are recognized until the transfer date.

Cash flows from operating activities have been calculated as profit or loss adjusted for non-cash operating items, financial income and expenses paid, corporation taxes, as well as increase and decrease in inventories, trade

receivables, trade payables, and other changes in assets and liabilities other than provisions derived from operations.

Cash flows from investing activities comprise payments in connection with acquisition and sale of fixed assets.

Cash flows from financing activities comprise payments from inception and repayment of long-term liabilities other than provisions, as well as payments made to and received from shareholders.

Cash and cash equivalents comprise cash funds, as well as operating credits at credit institutions included in the Group and the Company's cash management.

In accordance with the Danish Financial Statements Act §86,4 the Parent Company has not prepared a cash flow statement.

## Financial Highlights

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark. Financial highlights are calculated on basis of the financial statements, and no adjustments nor normalisations for analysis purposes have been made unless expressed in the section of the financial highlights.

The ratios have been calculated as follows:

$$\text{Return on invested capital} = \frac{\text{Operating profit} * 100}{\text{Average invested capital}}$$

$$\text{Solvency} = \frac{\text{Equity at year-end} * 100}{\text{Total assets}}$$

$$\text{Return on equity} = \frac{\text{Profit or loss for the year} * 100}{\text{Average equity}}$$

\*Invested capital are defined as net working capital with addition of operating intangible assets and Property, plant and equipment and deducted by other provisions.



Penneo dokumentnogi: MFEDL-IHJKW-AGECO-OBCCG-56KDU-6ZE3T



# NOTES

## 1. Staff Costs

DKK	GROUP		PARENT	
	2023	2022	2023	2022
Wages and salaries	65,069,943	45,958,419	0	0
Pensions	6,146,887	3,441,498	0	0
Other social security costs	990,128	706,605	0	0
Other staff costs	5,698,539	4,330,200	0	0
<b>Total</b>	<b>77,905,496</b>	<b>54,436,722</b>	<b>0</b>	<b>0</b>
<b>Average number of full-time employees</b>	<b>122</b>	<b>98</b>	<b>0</b>	<b>0</b>
<b>Remuneration:</b>				
Board	150,000	150,000	150,000	150,000
<b>Total</b>	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>

Referring to section 98 b(3) of the Danish Financial Statements Act, remuneration of the the Board of Directors have not been disclosed.

## 2. Other Financial Income

DKK	GROUP		PARENT	
	2023	2022	2023	2022
Other financial income	765,892	1,148,905	3,107,864	1,101,686
<b>Total</b>	<b>765,892</b>	<b>1,148,905</b>	<b>3,107,864</b>	<b>1,101,686</b>

## 3. Other Financial Expenses

DKK	GROUP		PARENT	
	2023	2022	2023	2022
Other financial expenses	4,008,242	1,559,002	280,589	111,833
<b>Total</b>	<b>4,008,242</b>	<b>1,559,002</b>	<b>280,589</b>	<b>111,833</b>



#### 4. Tax on Profit/Loss for the Year, Corporation Tax and Deferred Tax

DKK	GROUP		PARENT	
	2023	2022	2023	2022
<b>Tax on profit/loss for the year:</b>				
Tax on taxable income for the year	24,211,340	8,463,495	19,731,430	3,333,241
Deferred tax	463,495	200,086	412,398	-38,142
<b>Total</b>	<b>24,674,835</b>	<b>8,663,581</b>	<b>20,143,828</b>	<b>3,295,099</b>
<b>Payable corporation tax</b>				
Payable at 1/1 2023	7,153,718	23,086,799	3,333,241	2,563,640
Ajustment, beginning of the year	0	-1,309,777	0	0
Payed in the year	-10,664,597	-23,086,799	-3,333,241	-2,563,640
Prepaid tax	0	0	0	0
Tax on taxable income for the year	24,211,340	8,463,495	19,731,430	3,333,241
<b>Payable at 31/12 2023</b>	<b>20,700,461</b>	<b>7,153,718</b>	<b>19,731,430</b>	<b>3,333,241</b>
<b>Payable tax is classified in parent company's balance sheet as</b>				
Receivable/payable corporation tax			0	0
Receivable/payable joint taxation contribution			19,731,430	3,333,241
<b>Payable at 31/12 2023</b>			<b>19,731,430</b>	<b>3,333,241</b>
<b>Deferred tax</b>				
Deferred tax at 1/1 2023	1,528,867	1,328,781	1,159,627	1,197,769
Deferred tax of the year in the income statement	463,495	200,086	412,398	-38,142
Deferred tax of the year on changes in equity	0	0	0	0
<b>Deferred tax at 31/12 2023</b>	<b>1,992,361</b>	<b>1,528,867</b>	<b>1,572,025</b>	<b>1,159,627</b>
<b>Deferred tax is incumbent upon the following assets and liabilities</b>				
Intangible assets	248,008	212,453	-123,306	-68,093
Tangible assets	1,744,352	1,316,414	1,695,331	1,227,720
<b>Total</b>	<b>1,992,361</b>	<b>1,528,867</b>	<b>1,572,025</b>	<b>1,159,627</b>

# NOTES

## 5. Distribution of Profit/Loss

DKK	GROUP		PARENT	
	2023	2022	2023	2022
Reserve for net revaluation according to equity method	0	0	0	-1,158,829
Retained earnings	14,447,300	-8,640,346	38,178,342	-1,678,111
Proposed dividends for the financial year	28,000,000	39,500,000	28,000,000	39,500,000
<b>Profit/loss for the year</b>	<b>42,447,300</b>	<b>30,859,654</b>	<b>66,178,342</b>	<b>36,663,060</b>

## 6. List of Fixed Assets, Amortization and Impairment, Intangible Assets

DKK	Rights	GROUP		Total	31/12 2021
		Development projects in progress	Other similar rights originating from development projects		
Cost at 1/1 2023	5,099,289	0	1,511,165	6,610,454	54,908,470
Additions for the year	674,968	1,893,057	448,180	3,016,205	5,106,746
Disposals for the year	0	0	-460,388	-460,388	0
<b>Cost at 31/12 2023</b>	<b>5,774,257</b>	<b>1,893,057</b>	<b>1,498,957</b>	<b>9,166,271</b>	<b>60,015,216</b>
Amortization and impairment at 1/1 2023	1,602,784	0	235,960	1,838,744	8,886,323
Amortization and depreciation for the year	1,061,288	0	259,099	1,320,387	8,985,077
Amortization and impairment, disposals for the year	0	0	-68,237	-68,237	0
<b>Amortization and impairment at 31/12 2023</b>	<b>2,664,072</b>	<b>0</b>	<b>426,822</b>	<b>3,090,894</b>	<b>17,871,400</b>
<b>Carrying amount at 31/12 2023</b>	<b>3,110,185</b>	<b>1,893,057</b>	<b>1,072,135</b>	<b>6,075,377</b>	<b>42,143,816</b>

During the current year, the Group has initiated several new product development projects. These projects are designed to support the Group's long-term strategy and are expected to contribute positively to both cash flow and revenue in the coming years. The projects include the development of new products within the same product categories that the Group currently markets.

These projects are assessed for their technical feasibility and their ability to generate economic returns before capitalization, in accordance with IAS 38 (intangible assets). Intangible assets are amortized on a straight-line basis over their useful life, which is estimated to be 7 years based on the expected design obsolescence of the products. Investments in new development projects are essential to ensure the Group's competitiveness and growth.

In the subsidiary BIBS Danmark ApS, development of own webshops has been initiated to support the Group's strategic focus on online trading. BIBS Production ApS has initiated the implementation of a production batch management system to support improved product and inventory management.

## 7. List of Fixed Assets, Amortization, Depreciation and Impairment, Property, Plant and Equipment

DKK	PARENT			Total	31/12 2022
	Leasehold improvements	Plant and machinery	Other receivables		
Cost at 1/1 2023	2,036,762	39,721,317	11,186,295	52,944,374	54,908,470
Additions for the year	799,574	1,304,516	528,403	2,625,346	5,106,746
Disposals for the year	-161,877	-169,591	0	-331,468	0
<b>Cost at 31/12 2023</b>	<b>2,674,459</b>	<b>40,856,242</b>	<b>11,714,698</b>	<b>55,238,252</b>	<b>60,015,216</b>
Amortization, depreciation and impairment at 1/1 2023	497,286	14,447,275	0	14,944,561	8,886,323
Amortization, depreciation and impairment for the year	529,435	3,971,303	0	4,500,738	8,985,077
Amortization, depreciation and impairment, disposals for the year	-94,335	-75,893	0	-170,228	0
<b>Amortization, depreciation and impairment at 31/12 2023</b>	<b>932,386</b>	<b>18,342,684</b>	<b>0</b>	<b>19,275,070</b>	<b>17,871,400</b>
<b>Carrying amount at 31/12 2023</b>	<b>1,742,073</b>	<b>22,513,558</b>	<b>11,714,698</b>	<b>35,970,329</b>	<b>42,143,816</b>
<b>Of this, assets held under finance lease are included by</b>	<b>0</b>	<b>487,605</b>	<b>0</b>	<b>487,605</b>	<b>811,105</b>

## 8. List of Fixed Assets, Amortization, Depreciation and Impairment, Intangible Assets and Property, Plant and Equipment

DKK	PARENT			Total	31/12 2022
	Development projects in progress	Rights	Plant and machinery		
Cost at 1/1 2023	0	5,099,289	36,765,360	41,864,649	36,660,421
Additions for the year	1,277,400	674,968	818,491	2,770,859	5,209,228
<b>Cost at 31/12 2023</b>	<b>1,277,400</b>	<b>5,774,257</b>	<b>37,583,851</b>	<b>44,635,508</b>	<b>41,869,649</b>
Amortization, depreciation and impairment at 1/1 2023	0	1,602,784	12,910,944	14,513,728	6,662,300
Amortization, depreciation and impairment for the year	0	1,061,288	3,382,760	4,444,048	7,851,428
<b>Amortization, depreciation and impairment at 31/12 2023</b>	<b>0</b>	<b>2,664,072</b>	<b>16,293,704</b>	<b>18,957,776</b>	<b>14,513,728</b>
<b>Carrying amount at 31/12 2023</b>	<b>1,277,400</b>	<b>3,110,185</b>	<b>21,290,147</b>	<b>25,677,732</b>	<b>27,355,921</b>

During the current year, the Company has initiated several new product development projects. These projects are designed to support the Company's long-term strategy and are expected to contribute positively to both cash flow and revenue in the coming years. The projects include the development of new products within the same product categories that the Company currently markets.

These projects are assessed for their technical feasibility and their ability to generate economic returns before capitalization, in accordance with IAS 38 (intangible assets). Intangible assets are amortized on a straight-line basis over their useful life, which is estimated to be 7 years based on the expected design obsolescence of the products. Investments in new development projects are essential to ensure the Company's competitiveness and growth.

# NOTES

## 9. Investments in Group Enterprises

<i>DKK</i>	Investments in Group Enterprises	Total	31/12 2022
Cost 1/1 2023	2,140,871	2,140,871	140,000
Additions for the year	5,000,000	5,000,000	2,000,871
Disposals for the year	0	0	0
<b>Cost at 31/12 2023</b>	<b>7,140,871</b>	<b>7,140,871</b>	<b>2,140,871</b>
Revaluation at 1/1 2023	26,060,471	26,060,471	73,034,953
Profit or loss for the year	-2,411,496	-2,411,496	22,046,330
Provisions for investments in Group enterprises, liabilities	-2,829,188	-2,829,188	2,829,188
Dividend received during the year	-27,300,000	-27,300,000	-71,850,000
<b>Revaluation at 31/12 2023</b>	<b>-6,480,213</b>	<b>-6,480,213</b>	<b>26,060,471</b>
<b>Carrying amount at 31/12 2023</b>	<b>660,658</b>	<b>660,658</b>	<b>28,201,342</b>
Selling price, disposals	0	0	0
Carrying amount, disposals	0	0	0
<b>Profit/loss on sale</b>	<b>0</b>	<b>0</b>	<b>0</b>
Group Enterprises	Ownership share	Profit or loss for the year	Equity
<b>Bibs Danmark ApS, Hillerød</b>	<b>100%</b>	<b>9,796,222</b>	<b>0</b>
Internal margins on inventory		-16,235,409	0
Write-down to DKK 0		5,626,671	0
<b>BIBS International Trading ApS, Hillerød</b>	<b>100%</b>	<b>0</b>	<b>88,826</b>
<b>BIBS Production ApS, Hillerød</b>	<b>100%</b>	<b>6,226,490</b>	<b>779,332</b>
Internal margins on inventory		-207,500	-207,500
Write-down to DKK 0		-10,447,158	0
<b>BIBS America Inc., USA</b>	<b>100%</b>	<b>7,331</b>	<b>0</b>
Internal margins on inventory		-23,556,022	0
Write-down to DKK 0		6,176,814	0
<b>BIBS Trading UK Limited, United Kingdom</b>	<b>100%</b>	<b>81,869</b>	<b>0</b>
Internal margins on inventory		-5,084,749	0
Write-down to DKK 0		25,203,945	0
<b>Total</b>		<b>-2,411,496</b>	<b>660,658</b>

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## 10. Prepayments

<i>DKK</i>	GROUP		PARENT	
	2023	2022	2023	2022
Software	132,317	481,668	0	0
Trade goods	1,333,489	0	0	0
External costs	8,957	301,127	0	0
Insurance	0	33,293	0	33,294
<b>Total</b>	<b>1,474,763</b>	<b>816,088</b>	<b>0</b>	<b>33,294</b>

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## 11. Share Capital

The share capital consists of 1,252 certificates of DKK 100. The shares have not been divided into classes.

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## 12. Long-Term Liabilities Other Than Provisions

<i>DKK</i>	GROUP		PARENT	
	2023	2022	2023	2022
<b>Total debt</b>				
Other payables	0	811,105	0	0
<b>Total</b>	<b>0</b>	<b>811,105</b>	<b>0</b>	<b>0</b>
<b>Instalments next financial year</b>				
Other payables	483,942	328,788	0	0
<b>Total</b>	<b>483,942</b>	<b>328,788</b>	<b>0</b>	<b>0</b>
<b>Debt outstanding after 5 years</b>				
Other payables	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# NOTES

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## 13. Contractual Obligations

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### Group

The Group has entered into rent for lease of improvements, with 3 months notice. The total rent commitment represents approx. DKK 60k and distributed evenly over the period.

The Group has entered obligations on rented premises, with 6 months notice. The lease is interminable with different notice until 1 January 2026. The total lease commitment represents approx. DKK 8,436k and distributed evenly over the period.

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## 14. Contingent Assets

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### Parent Company

The Company has filed a claim for damages against a competitor for damages regarding product replica. The case is expected to conclude in 2024.. Management expects to win the case.

The Danish Maritime and Commercial Court have granted the company an injunction against the competitor. In relation to the injunction, the Company have paid a security on DKK 10m..

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## 15. Contingent Liabilities

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### Parent Company

The Parent Company is jointly taxed with other Group companies and is jointly liable with the other Group companies for payable and unsettled corporation and withholding taxes. The total amount for payable corporate tax is shown in the Annual Report for AH Group Holding ApS. Any subsequent corrections to the corporate tax and withholding taxes can lead to a higher liability for the Company.

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## 16. Related Parties

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The Company's related parties comprise the following:

**Controlling influence:**

AH Group Holding ApS  
Gøgevænget 12, Gadevang  
Hillerød, 3400, Denmark

Henrik Juel Larsen  
Ann-Cathrine Juel Lythcke

**Basis of controlling influence:**

Main shareholder  
Owner of AH License ApS with 100%

Owner of AH Group Holding ApS with 50%  
Owner of AH Group Holding ApS with 50%

*No disclosures of transactions with related parties as Management believes that all transactions with related parties have been carried out on arms length basis.*

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## 17. Group Structure

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*The Consolidated Financial Statement for The Company is included in the Group Annual Reports of the Parent Companies of the largest group:*

**Largest Group company:**

AH Group Holding ApS  
Gøgevænget 12, Gadevang  
Hillerød, 3400, Denmark

# NOTES

## 18. Adjustments (Cash Flow)

<i>DKK</i>	GROUP		PARENT	
	2023	2022	2023	2022
Income from investments in Group enterprises	0	0	2,411,496	-22,046,330
Provisions for investments in Group enterprises	0	0	2,829,188	-2,829,188
Other financial income	-765,892	-1,148,905	-3,107,864	-1,101,686
Other financial expenses	4,015,378	1,559,001	280,589	111,833
Tax on profit/loss for the year	24,211,340	8,463,495	19,731,430	3,333,241
Adjustment deferred tax	463,495	200,086	412,398	-38,142
<b>Total</b>	<b>27,924,320</b>	<b>9,073,677</b>	<b>22,557,237</b>	<b>-22,570,272</b>





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## Henrik Juel Larsen

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## Henrik Juel Larsen

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Bestyrelsesmedlem

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## Michael Dam-Johansen

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**Henrik Juul Hansen**

**Dirigent**

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