

**Producteers Holding ApS**  
Lars Liensvej 25, 9492 Blokhus

Company reg. no. 32 28 03 58

**Annual report**

**2022**

The annual report was submitted and approved by the general meeting on the 28 June 2023.

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Anne Mette Solvang  
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

## **Management's statement**

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Today, the Executive Board has approved the annual report of Producteers Holding ApS for the financial year 2022.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Blokhus, 28 June 2023

### **Executive board**

Holger Krogsgård

Anne Mette Solvang

## **Independent auditor's report on extended review**

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### **To the Shareholders of Producteers Holding ApS**

#### **Report on extended review of the Financial Statements**

##### **Opinion**

We have performed an extended review of the financial statements of Producteers Holding ApS for the financial year 1 January - 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

Based on the work performed, in our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

##### **Basis for Opinion**

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the 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 extended review of the Financial Statements**

Our responsibility is to express a opinion on the financial statements. This requires that we plan and perform procedures in order to obtain limited assurance for our opinion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our opinion.

## **Independent auditor's report on extended review**

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An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

### **Statement on the Management's Review**

Management is responsible for the Management's Review.

Our opinion on the financial statements does not cover the Management's Review, and we do not express any form of assurance opinion thereon.

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

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

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

### **Violation of the provisions of the Companies Act on lending to capital owners and violation of the provisions of the tax legislation on the withholding of withholding tax**

The company had, in contravention of the Companies Act § 210, subsection 1, in 2022 granted a loan to the company's capital owner, whereby the management can incur liability. The relationship was put in order in 2022.

In connection with the payment, the company had not complied with tax legislation, and the management may be held liable for this.

Ringkøbing, 28 June 2023

### **Partner Revision**

State Authorised Public Accountants  
Company reg. no. 15 80 77 76

Søren H. Andersen  
State Authorised Public Accountant  
mne23420

## Company information

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<b>The company</b>	Producteers Holding ApS Lars Liensvej 25 9492 Blokhus  Company reg. no. 32 28 03 58 Established: 1 July 2009 Domicile: Jammerbugt Financial year: 1 January - 31 December 13th financial year
<b>Executive board</b>	Holger Krosgård Anne Mette Solvang
<b>Auditors</b>	Partner Revision statsautoriseret revisionsaktieselskab Birkmosevej 20 A, 1. 6950 Ringkøbing
<b>Bankers</b>	Sydbank
<b>Participating interest</b>	Producteers International GmbH, Germany

## **Management's review**

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### **The principal activities of the company**

Like previous years, the main activities consisted of sales, development, procurement and production for one less on the part of partners and otherwise at their own factory in the company in China and sales of consultancy assistance for product development.

### **Uncertainties about recognition or measurement**

The German subsidiary, Producteers International GmbH, is recognized on the basis of internal management account prepared by the German accountant. The official annual report prepared by the auditors in Germany are not finished at the moment.

### **Development in activities and financial matters**

The result for 2022 is a profit of 1.347 thousand DKK against 2.910 thousand DKK in 2021.

The result for 2022 is satisfying.

The subsidiary company, Producteers A/S, have been dissolved in 2022. Producteers Holding ApS has transferred 50% of the shares in connection with a capital increase in Producteers International GmbH, and 25% is now owned.

The company's equity amounts, at the end of the financial year. 10.375 thousand DKK.

### **Events occurring after the end of the financial year**

After the end of the financial year, no events have occurred that could displace the company financial position substantially.

## Accounting policies

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The annual report for Producteers Holding ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

### Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

### Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.



## Accounting policies

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Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve in the Consolidated Financial Statement. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

Translation adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in equity in the fair value reserve. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised directly in equity.

When recognising foreign group enterprises which are integral units, the monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate prevailing at the time of acquisition or at the time of the subsequent revaluation or write-down for impairment of the asset. Income statement items are translated using the exchange rate prevailing at the date of the transaction. However, items in the income statement derived from non-monetary items are translated using historical prices.

### Income statement

#### **Other external costs**

Other external costs comprise costs incurred for administration.

#### **Depreciation, amortisation, and writedown for impairment**

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of tangible assets, respectively.

#### **Financial income and expenses**

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

#### **Results from investments in subsidiaries and participating interest**

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the investment in the individual subsidiaries are recognised in the income statement as a proportional share of the subsidiaries' post-tax profit or loss.

## Accounting policies

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After full elimination of intercompany profit or loss less amortised of consolidated goodwill, the investment in the participating interest is recognised in the income statement as a proportional share of the participating interests' post-tax profit or loss.

### **Tax on net profit or loss for the year**

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

## Statement of financial position

### **Impairment loss relating to non-current assets**

The carrying amount of equity investments are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist.

## **Investments**

### **Investments in subsidiaries and participating interest**

Investments in subsidiaries and participating interest are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Investments in subsidiaries and participating interest are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

## Accounting policies

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Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 5-20 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterprises with a strong market position and a long-term earnings profile.

Investments in subsidiaries and participating interest with a negative equity value are measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover a negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

To the extent the equity exceeds the cost, the net revaluation of equity investments in subsidiaries and participating interest transferred to the reserve under equity for net revaluation according to the equity method. Dividends from subsidiaries expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in subsidiaries and participating interest.

### Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

### Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

## **Accounting policies**

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### **Financial instruments and equity investments**

Financial instruments and equity investments recognised under current assets consist of listed shares and bonds which are measured at fair value on the reporting date. Unlisted equity investments are measured at cost. Writedown takes place to the recoverable amount if this value is lower than the carrying amount.

### **Cash on hand and demand deposits**

Cash on hand and demand deposits comprise cash at bank.

### **Equity**

#### **Reserve for net revaluation according to the equity method**

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries, associates and equity interests proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by a negative amount.

#### **Liabilities other than provisions**

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

## Income statement 1 January - 31 December

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All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Other external costs	-56.048	-149.063
<b>Gross profit</b>	<b>-56.048</b>	<b>-149.063</b>
Depreciation and impairment of property, land, and equipment	-781	-4.546
<b>Operating profit</b>	<b>-56.829</b>	<b>-153.609</b>
2 Income from equity investments in subsidiaries	-2.460.380	3.069.835
Income from investment in participating interest	3.849.952	0
Other financial income	179.800	0
3 Other financial costs	-69.082	-6.006
<b>Pre-tax net profit or loss</b>	<b>1.443.461</b>	<b>2.910.220</b>
4 Tax on net profit or loss for the year	-96.703	0
<b>Net profit or loss for the year</b>	<b>1.346.758</b>	<b>2.910.220</b>
<b>Proposed distribution of net profit:</b>		
Extraordinary dividend distributed during the financial year	7.095.726	0
Reserves for net revaluation according to the equity method	-11.526.138	2.317.966
Transferred to retained earnings	5.777.170	592.254
<b>Total allocations and transfers</b>	<b>1.346.758</b>	<b>2.910.220</b>

## Balance sheet at 31 December

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All amounts in DKK.

<b>Assets</b>		
<u>Note</u>	<u>2022</u>	<u>2021</u>
<b>Non-current assets</b>		
5 Investments in group enterprises	0	17.698.967
6 Investment in participating interest	4.100.369	0
Total investments	<u>4.100.369</u>	<u>17.698.967</u>
<b>Total non-current assets</b>	<b><u>4.100.369</u></b>	<b><u>17.698.967</u></b>
<b>Current assets</b>		
Other receivables	12.913	13.600
Prepayments	296.696	0
Total receivables	<u>309.609</u>	<u>13.600</u>
Other financial instruments and equity investments	921.938	869.621
Total investments	<u>921.938</u>	<u>869.621</u>
Cash and cash equivalents	5.649.773	1.215
<b>Total current assets</b>	<b><u>6.881.320</u></b>	<b><u>884.436</u></b>
<b>Total assets</b>	<b><u>10.981.689</u></b>	<b><u>18.583.403</u></b>

## Balance sheet at 31 December

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All amounts in DKK.

<b>Equity and liabilities</b>		<u>2022</u>	<u>2021</u>
<u>Note</u>			
<b>Equity</b>			
Contributed capital		125.000	125.000
Reserve for net revaluation according to the equity method		3.959.999	15.486.137
Retained earnings		6.290.367	513.197
<b>Total equity</b>		<u><b>10.375.366</b></u>	<u><b>16.124.334</b></u>
<b>Liabilities other than provisions</b>			
Trade payables		31.250	20.014
Payables to group enterprises		533.189	2.397.256
Other payables		41.884	41.799
Total short term liabilities other than provisions		<u>606.323</u>	<u>2.459.069</u>
<b>Total liabilities other than provisions</b>		<u><b>606.323</b></u>	<u><b>2.459.069</b></u>
<b>Total equity and liabilities</b>		<u><b>10.981.689</b></u>	<u><b>18.583.403</b></u>

**1** Uncertainties concerning recognition and measurement

**7** Charges and security

**8** Contingencies

## Statement of changes in equity

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All amounts in DKK.

	<b>Contributed capital</b>	<b>Reserve for net revalua-tion according to the eq-uity method</b>	<b>Retained earnings</b>	<b>Total</b>
Equity 1 January 2021	125.000	13.168.171	-79.057	13.214.114
Share of profit or loss	<u>0</u>	<u>2.317.966</u>	<u>592.254</u>	<u>2.910.220</u>
Equity 1 January 2022	125.000	15.486.137	513.197	16.124.334
Share of profit or loss	0	-11.526.138	5.777.170	-5.748.968
Extraordinary dividend adopted during the financial year	0	0	7.095.726	7.095.726
Distributed extraordinary dividend adopted during the financial year	<u>0</u>	<u>0</u>	<u>-7.095.726</u>	<u>-7.095.726</u>
	<b><u>125.000</u></b>	<b><u>3.959.999</u></b>	<b><u>6.290.367</u></b>	<b><u>10.375.366</u></b>



## Notes

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All amounts in DKK.

### 1. Uncertainties concerning recognition and measurement

The German subsidiary, Producteers International GmbH, is recognized on the basis of internal management account prepared by the German accountant. The official annual report prepared by the auditors in Germany are not finished at the moment.

	<u>2022</u>	<u>2021</u>
<b>2. Income from equity investments in subsidiaries</b>		
Share of results, Producteers A/S, 100%	0	-95.208
Share of results, Producteers International GmbH, 75%	0	3.165.043
Writedown, Producteers Internation GbmH, in connection with a capital increase	-2.460.380	0
	<u><b>-2.460.380</b></u>	<u><b>3.069.835</b></u>
<b>3. Other financial costs</b>		
Other financial costs	69.082	6.006
	<u><b>69.082</b></u>	<u><b>6.006</b></u>
<b>4. Tax on net profit or loss for the year</b>		
Adjustment of tax for previous years	96.703	0
	<u><b>96.703</b></u>	<u><b>0</b></u>

## Notes

All amounts in DKK.

	31/12 2022	31/12 2021
<b>5. Investments in group enterprises</b>		
Cost opening balance	2.251.618	2.286.711
Disposals during the year	-2.251.618	-35.093
<b>Cost end of period</b>	<b>0</b>	<b>2.251.618</b>
Revaluations opening balance	15.447.349	13.129.383
Net profit or loss for the year before amortisation of goodwill	0	3.069.835
Reversals for the year concerning disposals	-15.447.349	-751.869
<b>Revaluation end of period</b>	<b>0</b>	<b>15.447.349</b>
<b>Carrying amount, end of period</b>	<b>0</b>	<b>17.698.967</b>
<b>6. Investment in participating interest</b>		
Cost opening balance	140.370	0
<b>Cost end of period</b>	<b>140.370</b>	<b>0</b>
Correction of previous revaluations	1.693.478	0
Net profit or loss for the year before amortisation of goodwill	2.266.521	0
<b>Revaluation end of period</b>	<b>3.959.999</b>	<b>0</b>
<b>Carrying amount, end of period</b>	<b>4.100.369</b>	<b>0</b>

### Financial highlights for the enterprise according to the latest approved annual report

	Equity interest	Equity	Results for the year	Carrying amount, Producteers Holding ApS
Producteers International GmbH, Germany	25 %	16.401.476	9.066.084	4.100.369

## 7. Charges and security

The company guarantees the associated companies' involvement with Sydbank.

## Notes

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All amounts in DKK.

### **8. Contingencies**

#### **Contingent liabilities**

None.