



VADSKÆR
KRØMMELBEIN
STATSAUTORISERET
REVISIONSANPARTSSELSKAB

Annual report for 2022

EPS Scandinavia ApS

C/O Ideal Office, Maglebjergvej 6, 2800 Kongens Lyngby

CVR no. 32 64 45 70

Adopted at the annual general meeting on 7
July 2023

Martin Dötterl
chairman

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Statement by management on the annual report

The executive board has today discussed and approved the annual report of EPS Scandinavia ApS for the financial year 1 January - 31 December 2022.

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

In our opinion, the financial statements give a true and fair view of the 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 our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends to the company in general meeting that the financial statements for 2023 are not to be audited. Management considers the criteria for not auditing the financial statements to be met.

Management recommends that the annual report should be approved by the company in general meeting.

Hørsholm, 7 July 2023

Executive board

Martin Dötterl
Director

Fredrik Zetterberg
director

The company in general meeting has resolved that the financial statements for the coming financial year are not to be audited.

Independent auditor's report

To the shareholder of EPS Scandinavia ApS

Auditors' Report on the Financial Statements

Opinion

We have audited the financial statements of EPS Scandinavia 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.

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 audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the 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 the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditor's report

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on management's review

Management is responsible for management's review.

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

Independent auditor's report

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

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

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

Report on other legal and regulatory requirements

Violation of the Danish tax and levy legislation

In violation with the Danish VAT Act, the company has made a late reporting of a VAT declaration to SKAT, whereby management can incur liability.

The company failed to submit the mandatory transfer pricing documentation to the Danish Tax Authorities for the year ended 2021. As such, management can incur liability.

Brøndby, 7 July 2023

Vadskær Krømmelbein
Statsautoriseret Revisionsanpartsselskab
CVR no. 40 68 97 45

Michael Kodama Krømmelbein
Statsautoriseret revisor
MNE no. mne44139

Company details

The company

EPS Scandinavia ApS
C/O Ideal Office
Maglebjergvej 6
2800 Kongens Lyngby

CVR no.: 32 64 45 70

Reporting period: 1 January - 31 December 2022

Incorporated: 20 November 2009

Domicile: Lyngby-Taarbæk

Executive board

Martin Dötterl, director
Fredrik Zetterberg, director

Auditors

Vadskær Krømmelbein
Statsautoriseret Revisionsanpartsselskab
Vibeholms Allé 16
2605 Brøndby

Management's review

Business review

The Company rents out and sells protection systems, barriers, seating and other site materials related to live events, tours and festivals along with the assistance with infrastructure tasks related hereto.

Financial review

The company's income statement for the year ended 31 December 2022 shows a profit of DKK 1,712,014, and the balance sheet at 31 December 2022 shows negative equity of DKK 1,581,056.

The result for has significantly increased post Covid-19 as it was the concert business was opened again. However, the company expects a lower activity and result for 2023 due to the Group focusing on other markets, with lower attention towards Denmark.

Liquidity and capital resources

Management is aware that the Company has lost more than 50% of its share capital and therefore is covered by § 119 of the Danish Companies Act. It is Management's assessment that the company still has the necessary capital base to ensure continued operations. The equity is expected to be reestablished through future earnings. Management continuously assesses the capital base.

A commitment has been issued by the parent company EPS Event Holding GmbH to provide the Company with the necessary financial support so that the Company can continue its business operations. The commitment is valid 12 months from the signing date of the financial statements for 2022.

For more information we refer to note 1 in the financial statements.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Accounting policies

The annual report of EPS Scandinavia ApS for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to class B entities, as well as provisions applying to reporting class C entities.

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

The annual report for 2022 is presented in DKK

Pursuant to sections §110 subsection 1, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

Basis of recognition and measurement

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

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

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

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

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

Accounting policies

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

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

Revenue

The company uses IAS 18 as an interpretation contribution for recognising revenue.

Income from the sale of services is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Raw materials and consumables

Direct costs of materials and consumables used in generating the year's revenue.

Other operating income - governmental financial support

Other operating income comprises items of a secondary nature relative to the company's activities.

Governmental financial support i.e., financial support programmes relating to Covid-19 is recognised when it is certain that the Company meets the requirements for receiving the governmental provided financial support. The grant is systematically recognised in the income statement over the period that it relates to or immediately if the grant is not conditional to future costs or investments being incurred. Public grants are recognized as other operating income or in the balance sheet if the grant is provided for investments in assets.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Accounting policies

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Income from investments in subsidiaries

Dividend from investments is recognised in the reporting year in which the dividend is declared.

Income from investments in subsidiaries includes income from debt conversion.

The item "Income from investments in subsidiaries" in the income statement includes income from debt conversion for the year.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Investments in subsidiaries

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

Receivables

Receivables are measured at amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Accounting policies

Provisions

Provisions comprise expected expenses relating to fines. Provisions are recognised when, as a result of a past event, the company has a legal or constructive obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Income tax and deferred tax

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

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Income statement 1 January 2022 - 31 December 2022

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> DKK
Gross profit		2,387,964	-213,936
Staff costs	2	-311,006	-46,808
Depreciation of property, plant and equipment		0	-36,094
Other operating costs	3	<u>-250,000</u>	<u>0</u>
Profit/loss before net financials		1,826,958	-296,838
Income from investments in subsidiaries		0	246,166
Financial income		0	2,647
Financial costs	4	<u>-114,944</u>	<u>-104,240</u>
Profit/loss before tax		1,712,014	-152,265
Tax on profit/loss for the year		<u>0</u>	<u>0</u>
Profit/loss for the year		<u>1,712,014</u>	<u>-152,265</u>
 Recommended appropriation of profit/loss			
Retained earnings		<u>1,712,014</u>	<u>-152,265</u>
		<u>1,712,014</u>	<u>-152,265</u>

Balance sheet at 31 December 2022

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> DKK
Assets			
Investments in subsidiaries	5	<u>23,014</u>	<u>23,014</u>
Fixed asset investments		<u>23,014</u>	<u>23,014</u>
Total non-current assets		<u>23,014</u>	<u>23,014</u>
Receivables from Group entities		0	252,039
Other receivables		<u>170,346</u>	<u>234,407</u>
Receivables		<u>170,346</u>	<u>486,446</u>
Cash at bank and in hand		<u>383,976</u>	<u>20,688</u>
Total current assets		<u>554,322</u>	<u>507,134</u>
Total assets		<u><u>577,336</u></u>	<u><u>530,148</u></u>

Balance sheet at 31 December 2022

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> DKK
Equity and liabilities			
Share capital		125,000	125,000
Retained earnings		<u>-1,706,056</u>	<u>-3,418,070</u>
Equity		<u>-1,581,056</u>	<u>-3,293,070</u>
Other provisions		<u>250,000</u>	<u>0</u>
Total provisions		<u>250,000</u>	<u>0</u>
Payables to Group entities		<u>0</u>	<u>1,755,905</u>
Total non-current liabilities	6	<u>0</u>	<u>1,755,905</u>
Trade payables		137,298	125,945
Payables to Group entities		1,764,165	1,501,736
Other payables		<u>6,929</u>	<u>439,632</u>
Total current liabilities		<u>1,908,392</u>	<u>2,067,313</u>
Total liabilities		<u>1,908,392</u>	<u>3,823,218</u>
Total equity and liabilities		<u><u>577,336</u></u>	<u><u>530,148</u></u>
Liquidity and capital resources	1		
Contingent liabilities	7		
Related parties and ownership structure	8		

Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2022	125,000	-3,418,070	-3,293,070
Net profit/loss for the year	0	1,712,014	1,712,014
Equity at 31 December 2022	<u>125,000</u>	<u>-1,706,056</u>	<u>-1,581,056</u>

Notes

1 Liquidity and capital resources

The realized profit after tax in 2022 amounts to DKK 1,712,014 resulting in the equity being negative with DKK 1.6 million on 31 December 2022.

It is Management's assessment that the company still has the necessary capital base to ensure continued operations. The equity is expected to be reestablished through future earnings. Management continuously assesses the capital base.

Further, a commitment has been issued by the parent company EPS Event Holding GmbH to provide the necessary financial support so that the Company can continue its business operations.

Management assesses that the Company will maintain sufficient liquidity over the next 12 months and the financial statements are therefore prepared on a going concern basis.

	<u>2022</u> DKK	<u>2021</u> DKK
2 Staff costs		
Wages and salaries	311,006	30,604
Pensions	0	3,600
Other social security costs	0	12,604
	<u>311,006</u>	<u>46,808</u>
Average number of employees	<u>0</u>	<u>0</u>

3 Other operating income

For the year ended 31 December 2021 the company failed to submit the mandatory transfer pricing documentation to the Danish Tax Authorities. As a result, the company will be fined.

The payment date of the fine is not yet settled and a provision of DKK 250,000 is therefore made in the financial statements for 2022 covering the fine.

Notes

	<u>2022</u>	<u>2021</u>
	DKK	DKK
4 Financial costs		
Financial expenses, group entities	44,391	92,764
Other financial costs	6,164	11,476
Exchange loss	64,389	0
	<u>114,944</u>	<u>104,240</u>
5 Investments in subsidiaries		
Cost at 1 January 2022	<u>23,014</u>	<u>23,014</u>
Cost at 31 December 2022	<u>23,014</u>	<u>23,014</u>
Carrying amount at 31 December 2022	<u>23,014</u>	<u>23,014</u>
6 Long term debt		
Payables to Group entities		
Between 1 and 5 years	<u>0</u>	<u>1,755,905</u>
Non-current portion	0	1,755,905
Other short-term debt to subsidiaries	<u>1,764,165</u>	<u>1,501,736</u>
Current portion	<u>1,764,165</u>	<u>1,501,736</u>
	<u>1,764,165</u>	<u>3,257,641</u>

7 Contingent liabilities

The company has a pending repayment claim relating to received prepayments for the delivery of services to an event which was cancelled due to Covid-19.

It is Management's opinion that the claim is directed to the wrong company and is against the agreement and, therefore, has no hold and should be dismissed. Management, therefore, strongly believes that it is highly unlikely there will be a liability for the Company.

The company has no other contingent liabilities.

Notes

8 Related parties and ownership structure

Consolidated financial statements

The company is reflected in the group report of the parent company EPS Holding GmbH

The group report of EPS Holding GmbH can be obtained at the following address:

Fraunhoferstr. 22
82152 Martinsried