



VADSKÆR
KRØMMELBEIN
STATSAUTORISERET
REVISIONSANPARTSSELSKAB

Annual report for 2021

EPS Scandinavia ApS

Ved Klædebo 14, 2970 Hørsholm

CVR no. 32 64 45 70

Adopted at the annual general meeting on 23
March 2022

Fredrik Zetterberg
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 2021.

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

In my opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2021 and of the results of the company's operations for the financial year 1 January - 31 December 2021.

In my opinion, management's review includes a fair review of the matters dealt with in the management's review.

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

Hørsholm, 23 March 2022

Executive board

Fredrik Zetterberg
Director

Independent auditor's report

To the shareholder of EPS Scandinavia ApS

Qualified Opinion

We have audited the financial statements of EPS Scandinavia ApS for the financial year 1 January - 31 December 2021, 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, except for the potential effects of the matter(s) described in the "Basis for Qualified Opinion" paragraph, the financial statements give a true and fair view of the company's financial position at 31 December 2021 and of the results of the company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for Qualified Opinion

We were not appointed as auditors of the company until January 21, 2022. Accordingly we have not audited the financial statements for year ended December 31, 2020. The Company's trade payables were carried in the balance sheet at DKK 1,694 thousand as of 31 December 2020. We were unable to obtain sufficient appropriate audit evidence supporting the valuation, existence and classification of this debt. There were no satisfactory audit procedures that we could apply to verify the opening balance of trade payables amounting to DKK 1,694 thousand.

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 qualified 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.

Independent auditor's report

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.

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.

Independent auditor's report

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

Statement on management's review

Management is responsible for management's review.

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

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

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

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

Rødovre, 23 March 2022

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
Ved Klædebo 14
2970 Hørsholm

CVR no.: 32 64 45 70

Reporting period: 1 January - 31 December 2021

Incorporated: 20 November 2009

Domicile: Hørsholm

Executive board

Fredrik Zetterberg, director

Auditors

Vadskær Krømmelbein
Statsautoriseret Revisionsanpartsselskab
Valhøjs Alle 158
2610 Rødovre

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.

Liquidity and capital resources

During 2021 the Company has been severely impacted by the Covid-19 restrictions limiting the Company's operations significantly. Management has implemented several actions to secure the continuance of operations of the Company when the effect of the Covid-19 restrictions on the event industry has worn off.

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 2021. For more information we refer to note 1 in the financial statements.

Financial review

The company's income statement for the year ended 31 December 2021 shows a loss of DKK 152,265, and the balance sheet at 31 December 2021 shows negative equity of DKK 3,293,070.

Correction of material misstatements

A misstatement regarding previous year's recognition of costs relating to the lease of equipment was identified. We refer to the accounting policies for further information.

Uncertainties in recognition and measurement

Covid-19 compensation packages have not yet been settled and approved by the Danish business authorities. Thus, the effect of the final settlement has been recognised based on Management's best estimate.

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.

Description of significant changes in the company's business and financial conditions

Covid-19 has had a significant impact on the Company's operations during the financial year. The activity in the Company has been significantly scaled-down and as a result hereof the activity is expected to remain low in 2022.

To strengthen the equity a debt conversion of DKK 2,965,160 in debt to the parent company was made to the equity and a debt conversion of DKK 246,166 in debt to the subsidiary was recognised in the income statement.

Accounting policies

The annual report of EPS Scandinavia ApS for 2021 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 activity in the Company has been significantly scaled-down and as a result hereof the activity is expected to remain low throughout 2022.

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

The annual report for 2021 is presented in DKK.

Changes in management estimates

The Covid-19 compensation packages have not yet been settled and approved by the Danish business authorities. The effect of the final settlement has for 2021 been recognised based on the Management's best estimate. In 2020 the Company received compensation from government grants relating to the Covid-19 pandemic totalling tDKK 1,570. In 2021 the Company additionally received tDKK 171 as a result of changes made to the interpretation of regulatory laws governing the Covid-19 grants. The Company has recognised the additionally grants as other income in the gross profit for the year 2021.

Correction of material misstatements relating to 2020

Material misstatements relating to the year 2020 regarding the recognition of costs pertaining to the lease of equipment have been identified. The misstatements have been corrected in the financial statements for 2021 as a material misstatement. The comparative figures are corrected, accordingly, and the result for the year 2020 has been adjusted by DKK 79,026 (income) from DKK 5,210,514 to DKK 5,131,488 and the equity likewise has been adjusted from DKK -6,184,991 to DKK -6,105,965 as of December 31 2020. Payables to subsidiaries was adjusted from DKK 4,269,655 to DKK 4,190,629.

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.

Accounting policies

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'.

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

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.

Accounting policies

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.

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. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

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

Impairment of fixed assets

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

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.

Accounting policies

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

Tangible assets

Items of other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	5-12 years	0 %

Assets costing less than DKK 30,700 are expensed in the year of acquisition.

The useful life and residual value are re-assessed annually. A change is accounted for as an accounting estimate, and the impact on amortisation/depreciation is recognised going forward.

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses, respectively.

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.

Inventory

Inventory is measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

Accounting policies

Receivables

Receivables are measured at amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

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 - 31 December

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
Gross profit	3	-213,936	-964,247
Staff costs	4	-46,808	-4,002,656
Depreciation of property, plant and equipment		<u>-36,094</u>	<u>-34,796</u>
Profit/loss before net financials		-296,838	-5,001,699
Income from investments in subsidiaries	3	246,166	0
Financial income		2,647	0
Financial costs	5	<u>-104,240</u>	<u>-129,789</u>
Profit/loss before tax		-152,265	-5,131,488
Tax on profit/loss for the year		<u>0</u>	<u>0</u>
Profit/loss for the year		<u>-152,265</u>	<u>-5,131,488</u>
 Recommended appropriation of profit/loss			
Retained earnings		<u>-152,265</u>	<u>-5,131,488</u>
		<u>-152,265</u>	<u>-5,131,488</u>

Balance sheet 31 December

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
Assets			
Other fixtures and fittings, tools and equipment		0	129,254
Tangible assets	6	<u>0</u>	<u>129,254</u>
Investments in subsidiaries	7	23,014	23,014
Fixed asset investments		<u>23,014</u>	<u>23,014</u>
Total non-current assets		<u>23,014</u>	<u>152,268</u>
Raw materials and consumables		0	154,505
Inventory		<u>0</u>	<u>154,505</u>
Receivables from Group entities		252,039	22,320
Other receivables		234,407	23,789
Receivables		<u>486,446</u>	<u>46,109</u>
Cash at bank and in hand		<u>20,688</u>	<u>143,874</u>
Total current assets		<u>507,134</u>	<u>344,488</u>
Total assets		<u><u>530,148</u></u>	<u><u>496,756</u></u>

Balance sheet 31 December

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
Equity and liabilities			
Share capital		125,000	125,000
Retained earnings		<u>-3,418,070</u>	<u>-6,230,965</u>
Equity		<u>-3,293,070</u>	<u>-6,105,965</u>
Payables to Group entities		<u>1,755,905</u>	<u>0</u>
Total non-current liabilities	8	<u>1,755,905</u>	<u>0</u>
Trade payables		125,945	1,693,519
Payables to Group entities		1,501,736	4,190,629
Other payables		<u>439,632</u>	<u>718,573</u>
Total current liabilities		<u>2,067,313</u>	<u>6,602,721</u>
Total liabilities		<u>3,823,218</u>	<u>6,602,721</u>
Total equity and liabilities		<u><u>530,148</u></u>	<u><u>496,756</u></u>
Liquidity and capital resources	1		
Contingent liabilities	9		

Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2021	125,000	-6,309,991	-6,184,991
Net effect from adjustment of error in 2020	0	79,026	79,026
Adjusted equity at 1 January 2021	125,000	-6,230,965	-6,105,965
Conversion of debt	0	2,965,160	2,965,160
Net profit/loss for the year	0	-152,265	-152,265
Equity at 31 December 2021	<u>125,000</u>	<u>-3,418,070</u>	<u>-3,293,070</u>

Notes

1 Liquidity and capital resources

The realized loss after tax in 2021 amounts to DKK 152,265 resulting in the equity being negative with DKK 3.3 million on 31 December 2021. In general, the impact of Covid-19 continued to create considerable uncertainty for the event industry throughout 2021, thus effecting the Company's operations.

The Company has prepared a budget for 2022 showing a negative result. The budget is based on the assumption that the Company only incur limited but necessary costs and that no projects will be initiated in 2022. The Company expects to have sufficient liquidity available to pay its liabilities as they fall.

Total liabilities equals DKK 3,823,218 of which DKK 3,257,641 are payables to Group entities. External trade payables and other debts (non-group) equals DKK 565,577 all of which is short term. In the beginning of 2022 DKK 452,745 of the external trade payables and other debts has been settled.

The Company's immediate parent has issued a commitment to financially support the Company until 12 months after the approval and signing of the financial statements for 2021. The parent company has confirmed that it will not recall or demand any repayment except that insofar as the funds of EPS Scandinavia ApS permits repayment and that such repayment will not adversely affect the ability of the Company to carry on their business operations as a going concern.

During the year a debt to the parent company of DKK 2,965,160 converted to equity along with a debt of DKK 246,166 to the Company's subsidiary which was recognised in the income statement.

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.

2 Uncertainty in the recognition and measurement

The Covid-19 compensation packages have not yet been settled and approved by the Danish business authorities. Thus, the effect of the final settlement has been recognised based on Management's best estimate.

Notes

3 Special items

In 2020 the Company received compensation from government grants relating to the Covid-19 pandemic totalling tDKK 1,570. In 2021 the Company additionally received tDKK 171 as a result of changes made to the interpretation of regulatory laws governing the Covid-19 grants. As a result, the Company has recognised the additional grants as other income in the gross profit for the year 2021.

Further a debt forgiveness of tDKK 246 from the Company's subsidiary was given. The debt forgiveness has been recognised as income from investments in subsidiaries due to the fact that the debt forgiveness was issued from the subsidiary to the parent company. The nature is a one-off transaction, thus considered a special item.

	<u>2021</u> DKK	<u>2020</u> DKK
4 Staff costs		
Wages and salaries	30,604	3,658,483
Pensions	3,600	222,527
Other social security costs	12,604	67,455
Other staff costs	<u>0</u>	<u>54,191</u>
	<u>46,808</u>	<u>4,002,656</u>
Average number of employees	<u>0</u>	<u>7</u>
5 Financial costs		
Financial expenses, group entities	92,764	83,595
Other financial costs	11,476	4,269
Exchange loss	<u>0</u>	<u>41,925</u>
	<u>104,240</u>	<u>129,789</u>

Notes

6 Tangible assets

	Other fixtures and fittings, tools and equipment
Cost at 1 January 2021	251,639
Disposals for the year	<u>-251,639</u>
Cost at 31 December 2021	<u>0</u>
Impairment losses and depreciation at 1 January 2021	122,385
Depreciation for the year	36,094
Reversal of impairment and depreciation of sold assets	<u>-158,479</u>
Impairment losses and depreciation at 31 December 2021	<u>0</u>
Carrying amount at 31 December 2021	<u>0</u>

Notes

	2021 DKK	2020 DKK
7 Investments in subsidiaries		
Cost at 1 January 2021	23,014	23,014
Cost at 31 December 2021	23,014	23,014
Carrying amount at 31 December 2021	23,014	23,014
8 Long term debt		
Payables to Group entities		
Between 1 and 5 years	1,755,905	0
Non-current portion	1,755,905	0
Other short-term debt to subsidiaries	1,501,736	4,190,629
Current portion	1,501,736	4,190,629
	3,257,641	4,190,629

9 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.

10 Related parties and ownership structure

Consolidated financial statements

The Company is included in the Group Annual Report of the Parent Company EPS Holding GmbH.

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

Fraunhoferstr. 22
82152 Martinsried