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HOT HOT!

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Sinful

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About Sex

Årsrapport
Let's talk about sex
2023

Sinful Aps
Søren Nymarks Vej 1C
8270 Højbjerg
CVR: 32 88 78 48

Let's Talk About Sex

WE DISRUPT BY BEING NORMAL.

• SIMPLE

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Sinful ApS for the financial year 1 January - 31 December 2023.

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 financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

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

We recommend that the annual report be approved at the annual general meeting.

Højbjerg, 18 June 2024
Executive Board:

.....
Søren Gundtoft Johansen

.....
René Lyngs Houmøller

Board of Directors:

.....
Anne-Marie Krog
Chairman

.....
Mathilde Krüger Mackowski

.....
Henrik Bonnerup

.....
Lars Hemming Jørgensen

Independent auditor's report

To the shareholders of Sinful ApS

Opinion

We have audited the financial statements of Sinful ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 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 "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 the 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.

Independent auditor's report

- ▶ 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 note 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 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 conclusion thereon.

In connection with our audit 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 audit, 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 Statement Act. We did not identify any material misstatement of the Management's review.

Aarhus, 18 June 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Jonas Busk
State Authorised Public Accountant
mne42771

Søren Strandgaard Nielsen
State Authorised Public Accountant
mne47823

Management's review

Company details

Name	Sinful ApS
Address, Postal code, City	Søren Nymarks Vej 1C, 8270 Højbjerg
CVR no.	32 88 78 48
Established	27 April 2010
Registered office	Aarhus
Financial year	1 January - 31 December
Board of Directors	Anne-Marie Krog, Chairman Mathilde Krüger Mackowski Henrik Bonnerup Lars Hemming Jørgensen
Executive Board	Søren Gundtoft Johansen René Lyngs Houmøller
Auditors	EY Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark

Management's review

Financial highlights

DKK'000	2023	2022	2021	2020	2019
Key figures					
Revenue	368,120	363,568	388,726	306,933	223,048
Gross profit	76,636	67,160	106,746	97,144	54,416
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	14,911	-3,112	61,869	65,312	26,220
Operating profit/loss	11,890	-4,289	61,126	64,860	28,905
Net financials	-6,847	-5,021	-5,307	-6,565	-3,227
Profit/loss for the year	3,951	-7,292	43,486	45,479	20,049
Balance sheet					
Total assets	146,905	131,891	127,931	112,713	73,702
Investments in property, plant and equipment	-6,169	-2,835	-415	-1,286	-666
Equity	74,312	70,361	77,653	63,722	30,322
Financial ratios					
Return on assets	8.5%	-3.3%	50.8%	69.6%	47.2%
Current ratio	159.7%	187.1%	245.2%	232.8%	168.5%
Equity ratio	50.6%	53.3%	60.7%	56.5%	41.1%
Return on equity	5.5%	-9.9%	61.5%	96.7%	80.1%
Average number of full-time employees					
	127	150	103	83	66

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating profit/loss	$\frac{\text{Profit/loss before net financials +/- Other operating income and other operating expenses}}{\text{Average assets}} \times 100$
Return on assets	$\frac{\text{Profit/loss from operating activities}}{\text{Average assets}} \times 100$
Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}} \times 100$
Equity ratio	$\frac{\text{Equity, year-end}}{\text{Total equity and liabilities, year-end}} \times 100$
Return on equity	$\frac{\text{Profit/loss after tax}}{\text{Average equity}} \times 100$

Management's review

Business review

The company's activities are the operation of the webshop and the manufacture of its own goods in relation to this.

Financial review

The income statement for 2023 shows net profit of DKK 4.0 million against DKK -7.3 million last year, and the balance sheet on 31 December 2023 shows equity of DKK 74.3 million.

In 2022 financial statement management expected revenue to increase up to 10% and profit before interest and tax up to DKK 10 million.

In 2023 revenue has increased by 1.3% compared to 2022 to DKK 368.1 million, which is in line with the management expectations. Profit before interest and tax increased to DKK 11.9 million, which is slightly above management's expectations from last year, which mainly is due to increased focus on profitability.

Impact on the external environment

The Company requires accountability from suppliers and wants to make sure that suppliers are working within the same ethical guidelines and good business practices as the company. To ensure these terms are kept, the Company continuously works to get suppliers to sign a trade agreement, which, among other things, must meet the ethical standards of The Business Social Compliance Initiative.

Therefore, the company's products must meet EU standards for consumer goods and must therefore not contain hazardous materials.

Special risks, including operational and financial risks

Operational risks

The company's most significant operational risk is associated with the ability to be strongly positioned in the Nordic countries. It is essential for the company to be constantly ahead of developments and trends in sex toys.

Foreign currency risks

The company has significant exposure to DKK, NOK, SEK, GBP, EUR, and USD.

Management considers the company's risk of fluctuations in foreign currency to be moderate. Management has established a foreign currency policy and continuously monitors the current and potential risks.

Reporting guidelines of Active Owners

The Private equity fund Polaris owns approximately 55 % of Sinful HoldCo A/S thru P-Sinful 2021 A/S, which is the controlling parent of Sinful ApS. Polaris is a member of the Active Owners Denmark and hence compliant with the Active Owners -guidelines; please see www.aktiveejere.dk. The guidelines are implemented in the Management review in Sinful HoldCo A/S.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Outlook

The Company's revenue for 2024 is expected to decrease by 10-20% resulting in an expected revenue in the range of DKK 295-330 million due to difficult market conditions.

Management expects a profit before interest and tax in the range of DKK -2 to 10 million as a result of lower revenue.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2023	2022
	Revenue	368,120	363,568
	Cost of sales	-198,586	-193,906
	Work performed for own account and capitalised	5,353	3,215
	Other external expenses	-98,251	-105,717
	Gross profit	76,636	67,160
3	Staff costs	-61,725	-70,265
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-3,021	-1,184
	Other operating expenses	0	-7
	Profit/ loss before net financials	11,890	-4,296
	Income from investments in group entities	0	-2
4	Financial income	694	271
5	Financial expenses	-7,541	-5,290
	Profit/ loss before tax	5,043	-9,317
6	Tax for the year	-1,092	2,025
	Profit/ loss for the year	3,951	-7,292

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2023	2022
	ASSETS		
	Fixed assets		
8	Intangible assets		
	Completed development projects	16,589	0
	Acquired other intangible assets	1,751	2,468
	Intangible assets under development	1,517	8,319
		<u>19,857</u>	<u>10,787</u>
9	Property, plant and equipment		
	Fixtures and fittings, other plant and equipment	1,654	1,640
	Leasehold improvements	248	435
	Property, plant and equipment under construction	7,281	0
	Prepayments for plant and equipment	0	1,854
		<u>9,183</u>	<u>3,929</u>
	Investments		
	Deposits, investments	1,969	2,025
		<u>1,969</u>	<u>2,025</u>
	Total fixed assets	<u>31,009</u>	<u>16,741</u>
	Non-fixed assets		
	Inventories		
	Finished goods and goods for resale	67,888	81,986
		<u>67,888</u>	<u>81,986</u>
	Receivables		
	Trade receivables	4,856	4,790
	Receivables from group entities	0	2,559
10,13	Deferred tax assets	693	1,785
	Other receivables	921	1,818
11	Prepayments	1,677	1,356
		<u>8,147</u>	<u>12,308</u>
	Cash	<u>39,861</u>	<u>20,856</u>
	Total non-fixed assets	<u>115,896</u>	<u>115,150</u>
	TOTAL ASSETS	<u>146,905</u>	<u>131,891</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2023	2022
	EQUITY AND LIABILITIES		
	Equity		
12	Share capital	200	200
	Net revaluation reserve according to the equity method	0	0
	Reserve for development costs	14,456	8,319
	Retained earnings	59,656	61,842
	Dividend proposed	0	0
	Total equity	74,312	70,361
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Prepayments received from customers	1,236	979
	Trade payables	18,191	23,456
	Payables to group entities	33,077	15,598
	Other payables	20,089	21,497
		72,593	61,530
	Total liabilities other than provisions	72,593	61,530
	TOTAL EQUITY AND LIABILITIES	146,905	131,891

- 1 Accounting policies
- 2 Events after the balance sheet date
- 7 Appropriation of profit/loss
- 14 Contractual obligations and contingencies, etc.
- 15 Security and collateral
- 16 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK'000	Share capital	Net revaluation reserve according to the equity method	Reserve for development costs	Retained earnings	Dividend proposed	Total
		200	21	0	37,432	40,000	77,653
7	Transfer, see "Appropriation of profit/loss"	0	-2	0	-7,290	0	-7,292
	Equity transfers to reserves	0	-19	0	19	0	0
	Development costs capitalised	0	0	8,319	-8,319	0	0
	Dividend distributed	0	0	0	0	-40,000	-40,000
	Contribution from group	0	0	0	40,000	0	40,000
	Equity at 1 January 2023	200	0	8,319	61,842	0	70,361
7	Transfer, see "Appropriation of profit/loss"	0	0	0	3,951	0	3,951
	Development costs capitalised	0	0	11,176	-11,176	0	0
	Depreciation in the year	0	0	-1,389	1,389	0	0
	Tax on items recognised directly in equity	0	0	-3,650	3,650	0	0
	Equity at 31 December 2023	200	0	14,456	59,656	0	74,312

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Sinful ApS for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement is prepared for the parent company, as its cash flows are reflected in the consolidated cash flow statement.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Foreign currency translation

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

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate 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 most recent financial statements is recognised in the income statement as financial income or financial expenses.

Public grants

Public grants to cover expenses are recognised in the income statement when it is deemed likely that all grant criteria have been met. Grants which must be repaid under certain circumstances are recognised only where they are not expected to be repaid.

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the sale of goods for resale and finished goods, is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2020.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating 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 pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Amortisation/ depreciation

The item comprises amortisation/ depreciation of intangible assets and property, plant and equipment.

The basis of amortisation/ depreciation, which is calculated as cost less any residual value, is amortised/ depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Completed development projects	5 years
Acquired rights and other intangible assets	3-10 years
Fixtures and fittings, other plant and equipment	3-5 years
Leasehold improvements	3-5 years

The residual value amounts to DKK 0.

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Other operating expenses

Other operating expenses comprise items of a secondary nature relative to the Company's core activities, including losses on the sale of fixed assets.

Profit/ loss from investments in group entities

The income statement includes the proportional share of the underlying companies' profit or loss after elimination of internal profit/ loss and after tax. In group entities, the full elimination of internal profit and loss is carried out without regard to ownership shares.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities, exchange gains and losses and service charge offset in the received settlement from card companies.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Intangible assets

Other intangible assets include other acquired intangible rights, including domain.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are identifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Equity

Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in group entities and associates relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

Reserve for development costs

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development costs are amortised or are no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Other payables

The Company has chosen IAS 39 as interpretation for liabilities.

Other payables are measured at net realisable value.

Prepayments received from customers

Prepayments received from customers, recognized under liabilities, relates to prepayments received that relate to revenue subsequent to the financial year, including payments received from sold gift cards.

Financial statements 1 January - 31 December

Notes to the financial statements

2 Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

DKK'000	<u>2023</u>	<u>2022</u>
3 Staff costs		
Wages/salaries	55,857	65,027
Pensions	4,188	3,485
Other social security costs	1,680	1,753
	<u>61,725</u>	<u>70,265</u>
Average number of full-time employees	<u>127</u>	<u>150</u>
Remuneration to members of Management:		
Executive Board	3,248	1,729
Board of Directors	500	725
	<u>3,748</u>	<u>2,454</u>
In 2022 there was a change in the Executive Board.		
4 Financial income		
Interest receivable, group entities	19	126
Other financial income	675	145
	<u>694</u>	<u>271</u>
5 Financial expenses		
Interest expenses, group entities	2,001	0
Other financial expenses	5,540	5,290
	<u>7,541</u>	<u>5,290</u>
6 Tax for the year		
Deferred tax adjustments in the year	1,092	-2,027
Tax adjustments, prior years	0	2
	<u>1,092</u>	<u>-2,025</u>
7 Appropriation of profit/ loss		
Recommended appropriation of profit/ loss		
Net revaluation reserve according to the equity method	0	-2
Retained earnings/ accumulated loss	3,951	-7,290
	<u>3,951</u>	<u>-7,292</u>

Financial statements 1 January - 31 December

Notes to the financial statements

8 Intangible assets

DKK'000	Completed development projects	Acquired other intangible assets	Intangible assets under development	Total
Cost at 1 January 2023	0	3,011	8,319	11,330
Additions	0	0	11,176	11,176
Transferred	17,978	0	-17,978	0
Cost at 31 December 2023	17,978	3,011	1,517	22,506
Impairment losses and amortisation at 1 January 2023	0	543	0	543
Amortisation for the year	1,389	717	0	2,106
Impairment losses and amortisation at 31 December 2023	1,389	1,260	0	2,649
Carrying amount at 31 December 2023	16,589	1,751	1,517	19,857
Amortised over	5 years	3-10 years		

Completed development projects

Completed development projects includes development of IT projects, which will be a part of the future operation in the company, and will through the expected efficiency add future earnings.

Intangible assets under development

Intangible assets under development includes development of IT projects, which will be a part of the future operation in the company, and will through the expected efficiency add future earnings.

9 Property, plant and equipment

DKK'000	Fixtures and fittings, other plant and equipment	Leasehold improvements	Property, plant and equipment under construction	Prepayments for plant and equipment	Total
Cost at 1 January 2023	3,345	1,126	0	1,854	6,325
Additions	742	0	5,427	0	6,169
Transferred	0	0	1,854	-1,854	0
Cost at 31 December 2023	4,087	1,126	7,281	0	12,494
Impairment losses and depreciation at 1 January 2023	1,705	691	0	0	2,396
Depreciation	728	187	0	0	915
Impairment losses and depreciation at 31 December 2023	2,433	878	0	0	3,311
Carrying amount at 31 December 2023	1,654	248	7,281	0	9,183
Depreciated over	3-5 years	3-5 years			

Financial statements 1 January - 31 December

Notes to the financial statements

10 Deferred tax assets

Deferred tax recognised in the balance sheet includes tax loss carry-forward and differential values between tangible and intangible assets.

11 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years, including rent, insurance policies, etc.

12 Share capital

The Company's share capital has remained DKK 200 thousand in the past year.

DKK'000	2023	2022
13 Deferred tax		
Deferred tax at 1 January	-1,785	242
Adjustment for the year in the income statement	1,147	-2,027
Other deferred tax	-55	0
Deferred tax at 31 December	-693	-1,785

14 Contractual obligations and contingencies, etc.

The Company is jointly taxed with its parent, P-Sinful 2021 A/S, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income year 2021 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 1 may 2021.

Sinful ApS has together with other companies in the group, jointly guaranteed for the acquisition loan in Sinful Bidco A/S amounting to 325 mDKK. The guarantee is however limited within restrictions of the Danish Company act., including self-financing rules.

Other financial obligations

Other rent and lease liabilities:

DKK'000	2023	2022
Rent and lease liabilities	5,030	8,434

Rent and lease includes a rent obligation totalling DKK 4,908 thousand in interminable rent agreements with remaining contract terms of 16 months, respectively and a lease obligation totalling DKK 122 thousand with a remaining contract term of 14 months.

15 Security and collateral

A company charge of DKK 10,000 thousand secured upon various intellectual property rights, unsecured claims and fixtures and fittings, tools and equipment at a carrying amount of DKK 102,033 thousand has been provided as collateral for the Company's balance with its bank. The Company had no amount payable to its bank at 31 December 2023.

Financial statements 1 January - 31 December

Notes to the financial statements

16 Related parties

Sinful ApS' related parties comprise the following:

Parties exercising control

<u>Related party</u>	<u>Domicile</u>	<u>Basis for control</u>
Sinful BidCo A/S	Højberg, Denmark	Shares

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
P-Sinful 2021 A/S	Højberg, Denmark	Danish Business Authority

Related party transactions

Sinful ApS was engaged in the below related party transactions:

DKK'000	2023
Consultancy fee, expenses	3,400
Interest expenses to group entities	2,001
Interest income to group entities	19
Payables to group entities	33,077

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