
Agerskov Holding ApS

Sankt Annæ Plads 8, 4, DK-1250 København K

Annual Report for 1 January - 31 December 2022

CVR No 36 05 78 07

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
8 /5 2023

Sebastian Homaily
Agerskov
Chairman of the General
Meeting



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Management's Statement

The Executive Board has today considered and adopted the Annual Report of Agerskov Holding ApS for the financial year 1 January - 31 December 2022.

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

In my opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2022.

In my opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

I recommend that the Annual Report be adopted at the Annual General Meeting.

København, 8 May 2023

Executive Board

Sebastian Homaily Agerskov
Executive Officer

Independent Auditor's Report

To the Shareholder of Agerskov Holding ApS

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2022 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Agerskov Holding ApS for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

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 Group 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Independent Auditor's Report

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of 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 Group's and 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 Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the 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 and the Group'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 Group's and 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

Independent Auditor's Report

audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Hellerup, 8 May 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Niels Henrik B. Mikkelsen

statsautoriseret revisor

mne16675

Company Information

The Company

Agerskov Holding ApS
Sankt Annæ Plads 8, 4
DK-1250 København K

CVR No: 36 05 78 07

Financial period: 1 January - 31 December

Municipality of reg. office: København

Executive Board

Sebastian Homaily Agerskov

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Financial Highlights

Seen over a two-year period, the development of the Group is described by the following financial highlights:

	Group	
	2022 TDKK	2021 TDKK
Key figures		
Profit/loss		
Revenue	174.547	90.431
Gross profit/loss	147.115	57.300
Operating profit/loss	102.337	22.363
Profit/loss before financial income and expenses	102.773	22.549
Net financials	-1.167	1.671
Net profit/loss for the year	77.988	17.691
Balance sheet		
Balance sheet total	135.622	64.372
Equity	132.156	61.933
Cash flows		
Cash flows from:		
- operating activities	75.322	16.984
- investing activities	-1.987	-11.203
including investment in property, plant and equipment	-7.097	-3.489
- financing activities	-7.497	-360
Change in cash and cash equivalents for the year	65.838	5.421
Number of employees	67	57
Ratios		
Gross margin	84,3%	63,4%
Profit margin	58,9%	24,9%
Return on assets	75,8%	35,0%
Solvency ratio	97,4%	96,2%
Return on equity	80,4%	33,2%

With reference to the Danish Financial Statements Act, the company has omitted to prepare comparative figures in Financial Highlights for the comparative figures 3 - 5 years, as the company apply the rules in § 110 - 112 of the Danish Financial Statements Act.

Management's Review

Agerskov Holding Group is comprised of the following companies fully owned by the company Agerskov Holding. The following companies are part of Agerskov Holding Group: Traffic Lab ApS, Search Lab ApS, Lab Group ApS, Agerskov Vine ApS, Agerskov Ejendomme ApS and Agerskov Kapital ApS. Given that the company Traffic Lab ApS represent more than 90% of the Group Revenues, the management has decided to focus the Management Review exclusively in this company (the "Company" in the Management Review note).

Development in the year

The income statement of the Group for 2022 shows a profit of DKK 77,987,849, and at 31 December 2022 the balance sheet of the Group shows equity of DKK 132,156,398.

Description of the Company's Activity

The Company provides affiliate marketing services through its owned and developed websites that attract visitors through organic traffic, referring them to our clients, which are operating online gaming platforms. The company's main activity is to help its clients increase their online presence through a diverse range of digital marketing strategies.

Development in the Company's Activities

The group has experienced significant growth in its activities during the year 2022. The revenue for the year 2022 has almost doubled compared to the previous year due to an increase in activity in all active markets for the company. Additionally, the Profit Before Tax has increased to over 100 million DKK for the Group, which represents an increase over 300 % compared to the previous year. The margin improvement is driven mainly by the shift of focus towards channels providing better returns on investment.

The group results in 2022 have exceeded the expectations set by management by the end of 2021. In addition to the satisfactory results, the Group has taken significant steps towards the future growth of the organization by improving the organizational framework and technical structure of some of the major systems developed in-house.

Uncertainty relating to recognition and measurement

Traffic Lab's risk management aims to execute the business strategy while maintaining a high level of risk awareness and control. The Company risks are managed on a strategic, operational, and financial, legal and compliance level.

The company has not encountered any unusual conditions that have affected the recognition or measurement of its financial statements during the year 2022.

Management's Review

Expected Development for the Year 2023

The management expects to continue with the investments in websites and employees, data analysis and standardization of systems as well as increased focus on geographical expansion through M&A.

Additionally, the Company has established during 2023 a new subsidiary located in Malta to expand the operations and be in closer contact with their customers. At the same time the management has decided to close its US subsidiary due to a shift of focus towards more profitable locations.

The management expects the revenue growth to continue in the year 2023, for this reason, the financial targets are as follows:

-Revenue: DKK 250 – 275M (40% - 60% growth)

-EBITDA: DKK 150 – 180M (35% - 65% growth)

The assumptions used by the management include the continuation of the current economic conditions and no significant changes in the regulatory environment.

Knowledge Resources of the Company

Employees are the most relevant asset in the company, and the management has implemented several measures to retain and train them. The company provides regular training sessions to its employees to update their knowledge and skills. Additionally, the company has implemented a knowledge management system to ensure that the knowledge is documented and shared across the organization.

Sustainability

As a purely online business, Traffic Lab has a relatively small, albeit not negligible, impact on the natural environment. We believe we can best contribute to a sustainable future by focusing on good corporate citizenship in the fields of governance and social responsibility.

Traffic Lab has a social responsibility to ensure that the business transactions in which we participate are as sustainable as possible. Environmental, Social and Governance, also known by the acronym ESG, form the basic elements of sustainability. In the context of our business, sustainability is about the business model of the company, i.e. how we provide value to our clients.

Based on international rules in this area, we set standards for Traffic Lab, along with our customers, partners, and suppliers. Starting with risk management and responsibility within ESG, we work with our customers and other stakeholders towards common value creation and futureproofing of the transactions we are involved. Traffic Lab also works internationally to promote uniformly high ESG requirements, thus contributing towards uniform terms of competition for the benefit of our customers.

Management's Review

The ESG Policy applies to all employees of Traffic Lab. Internal guidelines and business procedures pertaining to social conditions, human rights, employee rights, the environment, climate, anti-corruption and tax practices are to be prepared in compliance with this Policy. Traffic Lab adheres to the UN's principles and guidelines, in particular the principles of the UN Global Compact on human rights, employee rights, the environment and anti-corruption, the UN's Guiding Principles for Business and Human Rights. The aim is to ensure that Traffic Lab meet consistently strict ESG requirements imposed by Danish and international financial institutions.

Research and development activities

Research and Development is a core activity to maintain market competitiveness. The company has several ongoing research and development activities in the Technical Department focused on developing new internal systems and improving the existing ones. This development aims to optimize processes and produce tools that provide both efficiency and scalability on the daily operations management. At the same time, certain employees are dedicated to identifying and developing new products non-existent in the market that can provide a competitive advantage compared to our competitors. These activities are in the initial stages and have not been activated due to the uncertainty of their potential economic benefits.

Subsequent events

The Company has established in January 2023 a subsidiary located in Malta in order to continue the expansion into new markets and to have a closer collaboration with existing clients. From the balance sheet date until the date of presentation of this Annual Report no additional events have occurred other than the above mentioned which significantly affect the assessment of the annual report.

Income Statement 1 January - 31 December

	Note	Group		Parent	
		2022 DKK	2021 DKK	2022 DKK	2021 DKK
Revenue		174.546.665	90.430.989	0	0
Other operating income		663.339	186.000	0	0
Cost of goods sold		-16.396.668	-23.863.308	0	0
Other external expenses		-11.698.224	-9.453.416	-684.695	-63.998
Gross profit/loss		147.115.112	57.300.265	-684.695	-63.998
Staff expenses	1	-37.069.699	-27.942.678	0	0
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	-7.045.511	-6.808.102	0	0
Other operating expenses		-227.116	0	0	0
Profit/loss before financial income and expenses		102.772.786	22.549.485	-684.695	-63.998
Income from investments in subsidiaries		0	0	78.255.120	17.658.881
Financial income	3	813.425	3.969.444	509.885	242.139
Financial expenses	4	-1.980.920	-2.298.911	-158.216	-145.564
Profit/loss before tax		101.605.291	24.220.018	77.922.094	17.691.458
Tax on profit/loss for the year	5	-23.617.442	-6.529.388	65.755	-828
Net profit/loss for the year		77.987.849	17.690.630	77.987.849	17.690.630

Balance Sheet 31 December

Assets

	Note	Group		Parent	
		2022 DKK	2021 DKK	2022 DKK	2021 DKK
Goodwill		7.178.235	12.895.742	0	0
Intangible assets	6	7.178.235	12.895.742	0	0
Land and buildings		6.950.000	4.452.816	0	0
Other fixtures and fittings, tools and equipment		775.175	1.224.487	0	0
Leasehold improvements		1.711.123	2.442.903	0	0
Property, plant and equipment	7	9.436.298	8.120.206	0	0
Investments in subsidiaries	8	0	0	52.893.777	24.054.632
Investments in associates	9	0	0	5.000	5.000
Deposits	10	1.328.902	1.221.736	0	0
Other receivables	10	7.363.000	7.380.000	0	0
Fixed asset investments		8.691.902	8.601.736	52.898.777	24.059.632
Fixed assets		25.306.435	29.617.684	52.898.777	24.059.632
Inventories	11	2.636.015	1.897.120	0	0

Balance Sheet 31 December

Assets

	Note	Group		Parent	
		2022 DKK	2021 DKK	2022 DKK	2021 DKK
Trade receivables		21.781.670	10.139.376	0	0
Receivables from group enterprises		0	0	69.714.632	41.609.724
Other receivables		664.218	633.068	64	1.839
Receivable from shareholders and Management		0	968.812	0	968.812
Deferred tax asset	15	321.583	629.185	0	0
Corporation tax receivable from group enterprises		0	0	23.776.036	6.564.458
Prepayments	12	0	4.952	0	0
Receivables		22.767.471	12.375.393	93.490.732	49.144.833
Securities	13	2.799.779	3.913.684	0	0
Cash at bank and in hand		82.112.758	16.567.691	15.159.469	27.080
Currents assets		110.316.023	34.753.888	108.650.201	49.171.913
Assets		135.622.458	64.371.572	161.548.978	73.231.545

Balance Sheet 31 December

Liabilities and equity

	Note	Group		Parent	
		2022 DKK	2021 DKK	2022 DKK	2021 DKK
Share capital	14	50.000	50.000	50.000	50.000
Reserve for net revaluation under the equity method		0	0	16.663.009	0
Retained earnings		132.106.398	56.646.891	115.443.389	56.382.720
Proposed dividend for the year		0	5.500.000	0	5.500.000
Equity attributable to shareholders of the Parent Company		132.156.398	62.196.891	132.156.398	61.932.720
Minority interests		0	-264.171	0	0
Equity		132.156.398	61.932.720	132.156.398	61.932.720
Provisions relating to investments in group enterprises		0	0	2.502.105	1.653.909
Provisions		0	0	2.502.105	1.653.909
Credit institutions		3.193	0	0	0
Trade payables		1.131.156	743.032	69.200	30.000
Payables to group enterprises		0	0	25.567.632	9.583.528
Payables to owners and Management		4.000	0	4.000	0
Corporation tax		1.249.643	31.388	1.249.643	31.388
Other payables		1.078.068	1.664.432	0	0
Short-term debt		3.466.060	2.438.852	26.890.475	9.644.916
Debt		3.466.060	2.438.852	26.890.475	9.644.916
Liabilities and equity		135.622.458	64.371.572	161.548.978	73.231.545
Distribution of profit	18				
Contingent assets, liabilities and other financial obligations	19				
Related parties	20				
Accounting Policies	21				

Statement of Changes in Equity

Group

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	50.000	0	56.382.720	5.500.000	61.932.720
Ordinary dividend paid	0	0	0	-5.500.000	-5.500.000
Extraordinary dividend paid	0	0	-2.000.000	0	-2.000.000
Other equity movements	0	0	-264.171	0	-264.171
Net profit/loss for the year	0	0	77.987.849	0	77.987.849
Equity at 31 December	50.000	0	132.106.398	0	132.156.398

Parent

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	50.000	0	56.382.720	5.500.000	61.932.720
Ordinary dividend paid	0	0	0	-5.500.000	-5.500.000
Extraordinary dividend paid	0	0	-2.000.000	0	-2.000.000
Revaluation for the year	0	16.927.180	0	0	16.927.180
Other equity movements	0	-264.171	0	0	-264.171
Net profit/loss for the year	0	0	61.060.669	0	61.060.669
Equity at 31 December	50.000	16.663.009	115.443.389	0	132.156.398

Cash Flow Statement 1 January - 31 December

	Note	Group	
		2022 DKK	2021 DKK
Net profit/loss for the year		77.987.849	17.690.630
Adjustments	16	31.830.448	11.666.957
Change in working capital	17	-11.208.858	-3.698.640
Cash flows from operating activities before financial income and expenses		98.609.439	25.658.947
Financial income		813.425	3.940.632
Financial expenses		-1.980.922	-2.298.909
Cash flows from ordinary activities		97.441.942	27.300.670
Taxes		-22.120.135	-10.316.260
Cash flows from operating activities		75.321.807	16.984.410
Purchase of intangible assets		0	-2.148.128
Purchase of property, plant and equipment		-7.096.912	-3.488.743
Fixed asset investments made etc		-90.167	-5.566.399
Sale of property		5.200.000	0
Cash flows from investing activities		-1.987.079	-11.203.270
Raising of loans from credit institutions		3.193	0
Dividend paid		-7.500.000	-360.000
Cash flows from financing activities		-7.496.807	-360.000
Change in cash and cash equivalents		65.837.921	5.421.140
Cash and cash equivalents at 1 January		20.481.375	15.277.039
Exchange adjustment of current asset investments		-1.406.759	-216.804
Cash and cash equivalents at 31 December		84.912.537	20.481.375
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		82.112.758	16.567.691
Current asset investments		2.799.779	3.913.684
Cash and cash equivalents at 31 December		84.912.537	20.481.375

Notes to the Financial Statements

	Group		Parent	
	2022 DKK	2021 DKK	2022 DKK	2021 DKK
1 Staff expenses				
Wages and salaries	33.623.624	24.795.055	0	0
Pensions	1.599.559	1.599.559	0	0
Other social security expenses	606.038	307.586	0	0
Other staff expenses	1.240.478	1.240.478	0	0
	37.069.699	27.942.678	0	0
Average number of employees	67	57	0	0
Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.				
2 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment				
Amortisation of intangible assets	5.373.806	5.373.806	0	0
Depreciation of property, plant and equipment	1.671.705	1.434.296	0	0
	7.045.511	6.808.102	0	0
3 Financial income				
Interest received from group enterprises	0	0	231.507	203.414
Other financial income	813.425	3.969.444	278.378	38.725
	813.425	3.969.444	509.885	242.139

Notes to the Financial Statements

	Group		Parent	
	2022 DKK	2021 DKK	2022 DKK	2021 DKK
4 Financial expenses				
Interest paid to group enterprises	0	0	0	83.528
Other financial expenses	1.980.920	2.298.911	158.216	62.036
	1.980.920	2.298.911	158.216	145.564

5 Tax on profit/loss for the year

Current tax for the year	23.815.396	6.980.047	-65.731	828
Deferred tax for the year	298.802	-450.659	0	0
Adjustment of tax concerning previous years	-24	0	-24	0
Adjustment of deferred tax concerning previous years	-496.732	0	0	0
	23.617.442	6.529.388	-65.755	828

6 Intangible assets

Group

	Goodwill DKK
Cost at 1 January	29.274.937
Cost at 31 December	29.274.937
Impairment losses and amortisation at 1 January	16.379.195
Amortisation for the year	5.717.507
Impairment losses and amortisation at 31 December	22.096.702
Carrying amount at 31 December	7.178.235
Amortised over	5 years

Notes to the Financial Statements

7 Property, plant and equipment

Group

	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improvements
	DKK	DKK	DKK
Cost at 1 January	4.452.816	1.797.250	3.439.196
Additions for the year	6.950.000	0	146.912
Disposals for the year	-4.452.816	0	0
Cost at 31 December	<u>6.950.000</u>	<u>1.797.250</u>	<u>3.586.108</u>
Impairment losses and depreciation at 1 January	0	572.763	996.293
Depreciation for the year	0	449.312	878.692
Impairment losses and depreciation at 31 December	<u>0</u>	<u>1.022.075</u>	<u>1.874.985</u>
Carrying amount at 31 December	<u>6.950.000</u>	<u>775.175</u>	<u>1.711.123</u>
Depreciated over		<u>4 years</u>	<u>4 years</u>

Notes to the Financial Statements

	Parent	
	2022 DKK	2021 DKK
8 Investments in subsidiaries		
Cost at 1 January	33.728.663	33.728.663
Cost at 31 December	33.728.663	33.728.663
Value adjustments at 1 January	-11.327.940	11.013.179
Net profit/loss for the year	83.628.926	23.032.687
Dividend to the Parent Company	-50.000.000	-40.000.000
Amortisation of goodwill	-5.373.806	-5.373.806
Other adjustments	-264.171	0
Value adjustments at 31 December	16.663.009	-11.327.940
Equity investments with negative net asset value transferred to provisions	2.502.105	1.653.909
Carrying amount at 31 December	52.893.777	24.054.632
Positive differences arising on initial measurement of subsidiaries at net asset value	5.373.808	10.747.614
Negative differences arising on initial measurement of subsidiaries at net asset value	2.502.105	1.653.909

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Traffic Lab ApS	Copenhagen	DKK 100.000	100%
Agerskov Vine ApS	Copenhagen	DKK 50.000	100%
Agerskov Ejendomme ApS	Copenhagen	DKK 50.000	100%
Agerskov Kapital	Copenhagen	DKK 50.000	100%
Lab Group ApS	Copenhagen	DKK 100.000	100%
Search Lab ApS	Copenhagen	DKK 40.000	100%

Notes to the Financial Statements

	Group		Parent	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK
9 Investments in associates				
Cost at 1 January	0	0	5.000	5.000
Cost at 31 December	0	0	5.000	5.000
Value adjustments at 1 January	0	0	0	-3.663
Other adjustments	0	0	0	3.663
Value adjustments at 31 December	0	0	0	0
Carrying amount at 31 December	0	0	5.000	5.000

Investments in associates are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Afima ApS	Copenhagen	DKK 40.000	12,5%

10 Other fixed asset investments

	Group	
	Deposits	Other receivables
	DKK	DKK
Cost at 1 January	1.221.736	7.380.000
Additions for the year	107.166	0
Disposals for the year	0	-17.000
Cost at 31 December	1.328.902	7.363.000
Carrying amount at 31 December	1.328.902	7.363.000

Notes to the Financial Statements

	Group		Parent	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK
11 Inventories				
Raw materials and consumables	2.636.015	1.897.120	0	0
	2.636.015	1.897.120	0	0

12 Prepayments

Prepayments consist of prepaid expenses.

	Group		Parent	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK
13 Current asset investments				
Bonds	2.799.779	3.913.684	0	0
	2.799.779	3.913.684	0	0

14 Share capital

The share capital consists of 50,000 shares of a nominal value of DKK 1. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

	Group		Parent	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK
15 Deferred tax asset				
Deferred tax asset at 1 January	629.185	178.526	0	0
Amounts recognised in the income statement for the year	-307.602	450.659	0	0
Deferred tax asset at 31 December	321.583	629.185	0	0

Notes to the Financial Statements

	Group	
	2022	2021
	DKK	DKK
16 Cash flow statement - adjustments		
Financial income	-813.425	-3.969.444
Financial expenses	1.980.920	2.298.911
Depreciation, amortisation and impairment losses, including losses and gains on sales	7.045.511	6.808.102
Tax on profit/loss for the year	23.617.442	6.529.388
	31.830.448	11.666.957

17 Cash flow statement - change in working capital

Change in inventories	-738.895	-197.120
Change in receivables	-10.963.850	19.793.644
Change in trade payables, etc	493.887	-23.295.164
	-11.208.858	-3.698.640

	Parent	
	2022	2021
	DKK	DKK
18 Distribution of profit		
Extraordinary dividend paid	2.000.000	0
Proposed dividend for the year	0	5.500.000
Transfer for the year to other reserves	16.927.180	0
Other statutory reserves	0	-11.013.179
Retained earnings	59.060.669	23.203.809
	77.987.849	17.690.630

Notes to the Financial Statements

	Group		Parent	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	DKK	DKK	DKK	DKK
19 Contingent assets, liabilities and other financial obligations				

Other contingent liabilities

Rent and lease	2.608.938	3.460.979	0	0
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The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report, which is the management company of the joint taxation purposes. Moreover, the group companies and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes may increase the Company's liability

20 Related parties

Basis

Controlling interest

Sebastian Homaily Agerskov	CEO and owner
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Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Notes to the Financial Statements

21 Accounting Policies

The Annual Report of Agerskov Holding ApS for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated and Parent Company Financial Statements for 2022 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset 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 out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Agerskov Holding ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Notes to the Financial Statements

21 Accounting Policies (continued)

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Group.

comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Notes to the Financial Statements

21 Accounting Policies (continued)

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 5 - 7 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	4	years
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Notes to the Financial Statements

21 Accounting Policies (continued)

Leasehold improvements 4 years

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and 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.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Notes to the Financial Statements

21 Accounting Policies (continued)

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

Cash Flow Statement

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items

Notes to the Financial Statements

21 Accounting Policies (continued)

included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$