



## **BV Holding Company ApS**

Lene Haus Vej 3-5  
7430 Ikast  
CVR No. 36090855

## **Annual report 2023**

The Annual General Meeting adopted the annual report on 20.06.2024

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**Eugene Lee Wang**  
Chairman of the General Meeting

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# Entity details

## Entity

BV Holding Company ApS

Lene Haus Vej 3-5

7430 Ikast

Business Registration No.: 36090855

Date of foundation: 16.09.2015

Registered office: Ikast-brande

Financial year: 01.01.2023 - 31.12.2023

## Board of Directors

Lars Krog

Robert Lee Wang

Eugene Lee Wang

Kenneth Jake Schnarrs

## Executive Board

Lars Krog

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Papirfabrikken 26

8600 Silkeborg

# Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of BV Holding Company ApS for the financial year 01.01.2023 - 31.12.2023.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2023 - 31.12.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Ikast, 20.06.2024

## Executive Board

**Lars Krog**

## Board of Directors

**Lars Krog**

**Robert Lee Wang**

**Eugene Lee Wang**

**Kenneth Jake Schnarrs**

# Independent auditor's report

## To the shareholders of BV Holding Company ApS

### Opinion

We have audited the consolidated financial statements and the parent financial statements of BV Holding Company ApS for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 consolidated financial statements and the parent financial statements" section of this auditor's 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.

### Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent 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 consolidated financial statements and the parent 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 Group's and the Entity'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 consolidated financial statements and the parent 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 Entity'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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent 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.

#### **Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Silkeborg, 20.06.2024

**Deloitte**

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

**Heidi Julitta Østergaard Jensen**

State Authorised Public Accountant

Identification No (MNE) mne34163

**Lise Hillersborg Madsen**

State Authorised Public Accountant

Identification No (MNE) mne49053

# Management commentary

## Financial highlights

	2023	2022	2021	2020	2019
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
<b>Key figures</b>					
Gross profit/loss	40,304	51,519	85,598	57,662	38,262
Operating profit/loss	3,954	13,516	46,491	20,105	(15,632)
Net financials	(1,376)	512	(4,824)	2,603	(5,421)
Profit/loss for the year	2,029	10,896	32,269	17,691	(20,329)
Balance sheet total	82,070	98,963	106,794	100,225	86,084
Investments in property, plant and equipment	50	1,239	2,152	2,139	4,451
Equity	37,945	34,703	25,197	(7,551)	(24,600)
Average number of employees	66	74	72	70	73
<b>Ratios</b>					
Equity ratio (%)	46.23	35.07	23.59	(7.53)	(28.58)

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

### Equity ratio (%):

$\frac{\text{Equity}}{\text{Balance sheet total}} * 100$

Balance sheet total



### Primary activities

The Company's primary activity is to hold investments in the group enterprise Bloomingville A/S. The Group's primary activities are brand development and wholesale trading of home interior.

### Development in activities and finances

The consolidated income statement for 2023 shows a profit after tax of 2.029 tDKK. Total assets by end of 2023 is 82.070 tDKK with an equity of 37.945 tDKK.

The Company's income statement for 2023 shows the same profit after tax.

In 2023, the Group faced softened demand, as the market situation continued being challenged due to uncertainty and macroeconomic factors.

The Group improved its margins, focused on operational expenses and made significant improvements on working capital resulting in strong cash flow from operating activities.

### Profit/loss for the year in relation to expected developments

The result of 2023 fell short to the initial expectations for the year, as macroeconomic factors in Europe continued to influence demand, yet the overall performance is considered satisfactory.

### Unusual circumstances affecting recognition and measurement

The Company's assets, liabilities and financial position by December 31st 2023, as well as the results of the Company's activities and cash flows for 2023, have not been affected by unusual circumstances.

### Outlook

The Group expects an improved demand situation in Europe in 2024 but also having uncertainty related to sea freight capacity and pricing to hit profitability. The overall expectations for profit after tax for 2024 is estimated on a higher level to the 2023 result, with adding 2-4 employees.

### Use of financial instruments

The Group hedges foreign currency risks on expected transactions in USD within the next year through currency options. Sales prices are continuously and prior to every season recalculated in all sales currencies. Supplier base and customer base are widely spread both geographically and by segment.

In addition, the Group does not have significant risks in addition to the industry-specific ones.

### Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

# Consolidated income statement for 2023

	Notes	2023 DKK	2022 DKK
<b>Gross profit/loss</b>		<b>40,303,712</b>	<b>51,518,806</b>
Staff costs	1	(32,479,702)	(34,872,577)
Depreciation, amortisation and impairment losses		(3,870,140)	(3,130,283)
<b>Operating profit/loss</b>		<b>3,953,870</b>	<b>13,515,946</b>
Other financial income	2	1,837,781	6,402,939
Other financial expenses	3	(3,213,491)	(5,891,219)
<b>Profit/loss before tax</b>		<b>2,578,160</b>	<b>14,027,666</b>
Tax on profit/loss for the year	4	(549,126)	(3,131,359)
<b>Profit/loss for the year</b>	5	<b>2,029,034</b>	<b>10,896,307</b>

# Consolidated balance sheet at 31.12.2023

## Assets

	Notes	2023 DKK	2022 DKK
Completed development projects	7	3,007,935	4,725,028
Acquired patents		0	13,047
Goodwill		0	0
<b>Intangible assets</b>	6	<b>3,007,935</b>	<b>4,738,075</b>
Other fixtures and fittings, tools and equipment		1,133,320	2,377,108
Leasehold improvements		222,558	501,229
<b>Property, plant and equipment</b>	8	<b>1,355,878</b>	<b>2,878,337</b>
Deposits		1,493,566	1,479,217
<b>Financial assets</b>	9	<b>1,493,566</b>	<b>1,479,217</b>
<b>Fixed assets</b>		<b>5,857,379</b>	<b>9,095,629</b>
Manufactured goods and goods for resale		58,496,177	68,925,992
Prepayments for goods		783,336	1,541,781
<b>Inventories</b>	10	<b>59,279,513</b>	<b>70,467,773</b>
Trade receivables		12,294,930	15,522,865
Other receivables		0	261,142
Tax receivable		816,453	0
Prepayments	11	3,773,548	3,466,614
<b>Receivables</b>		<b>16,884,931</b>	<b>19,250,621</b>
<b>Cash</b>		<b>48,357</b>	<b>148,971</b>
<b>Current assets</b>		<b>76,212,801</b>	<b>89,867,365</b>
<b>Assets</b>		<b>82,070,180</b>	<b>98,962,994</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2023 DKK</b>	<b>2022 DKK</b>
Contributed capital	12	51,000	51,000
Reserve for fair value adjustments of hedging instruments		(340,251)	(1,553,682)
Retained earnings		38,234,517	36,205,483
<b>Equity</b>		<b>37,945,266</b>	<b>34,702,801</b>
Deferred tax	13	2,746,000	2,222,676
<b>Provisions</b>		<b>2,746,000</b>	<b>2,222,676</b>
Lease liabilities		419,854	639,927
Payables to group enterprises		20,773,368	31,192,930
Other payables		1,618,358	1,732,766
<b>Non-current liabilities other than provisions</b>	14	<b>22,811,580</b>	<b>33,565,623</b>
Current portion of non-current liabilities other than provisions	14	220,072	2,075,834
Bank loans		5,873,947	13,508,474
Prepayments received from customers		1,077,315	1,781,816
Trade payables		7,974,690	4,624,753
Tax payable		0	828,759
Other payables	15	3,421,310	5,652,258
<b>Current liabilities other than provisions</b>		<b>18,567,334</b>	<b>28,471,894</b>
<b>Liabilities other than provisions</b>		<b>41,378,914</b>	<b>62,037,517</b>
<b>Equity and liabilities</b>		<b>82,070,180</b>	<b>98,962,994</b>
Contingent liabilities	17		
Assets charged and collateral	18		
Transactions with related parties	19		
Subsidiaries	20		

# Consolidated statement of changes in equity for 2023

	Contributed capital DKK	Reserve for fair value adjustments of hedging instruments DKK	Retained earnings DKK	Total DKK
Equity beginning of year	51,000	(1,553,682)	36,205,483	34,702,801
Fair value adjustments of hedging instruments	0	1,555,681	0	1,555,681
Tax of entries on equity	0	(342,250)	0	(342,250)
Profit/loss for the year	0	0	2,029,034	2,029,034
<b>Equity end of year</b>	<b>51,000</b>	<b>(340,251)</b>	<b>38,234,517</b>	<b>37,945,266</b>

# Consolidated cash flow statement for 2023

	Notes	2023 DKK	2022 DKK
Operating profit/loss		3,953,870	13,515,946
Amortisation, depreciation and impairment losses		3,870,140	3,130,283
Working capital changes	16	16,038,316	(11,313,030)
<b>Cash flow from ordinary operating activities</b>		<b>23,862,326</b>	<b>5,333,199</b>
Financial income received		1,837,781	6,402,939
Financial expenses paid		(3,213,491)	(5,891,219)
Taxes refunded/(paid)		(2,013,264)	(11,641,878)
<b>Cash flows from operating activities</b>		<b>20,473,352</b>	<b>(5,796,959)</b>
Acquisition etc. of intangible assets		(567,236)	(3,053,743)
Acquisition etc. of property, plant and equipment		(50,305)	(1,238,566)
Deposits		(14,349)	(7,449)
<b>Cash flows from investing activities</b>		<b>(631,890)</b>	<b>(4,299,758)</b>
<b>Free cash flows generated from operations and investments before financing</b>		<b>19,841,462</b>	<b>(10,096,717)</b>
Incurrence of debt to group enterprises		0	1,372,494
Repayment of debt to group enterprises		(12,092,890)	0
Repayment of lease liabilities		(214,659)	(233,761)
Short-term bank loan		(7,634,527)	4,976,662
<b>Cash flows from financing activities</b>		<b>(19,942,076)</b>	<b>6,115,395</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>(100,614)</b>	<b>(3,981,322)</b>
Cash and cash equivalents beginning of year		148,971	4,130,293
<b>Cash and cash equivalents end of year</b>		<b>48,357</b>	<b>148,971</b>
Cash and cash equivalents at year-end are composed of:			
Cash		48,357	148,971
<b>Cash and cash equivalents end of year</b>		<b>48,357</b>	<b>148,971</b>

# Notes to consolidated financial statements

## 1 Staff costs

	<b>2023</b>	<b>2022</b>
	<b>DKK</b>	<b>DKK</b>
Wages and salaries	27,783,609	29,662,950
Pension costs	4,131,301	4,538,172
Other social security costs	564,792	671,455
	<b>32,479,702</b>	<b>34,872,577</b>
Average number of full-time employees	<b>66</b>	<b>74</b>

### Special incentive programmes

The Executive Board has an incentive programme consisting of a share bonus agreement. The bonus agreement was effective as from 1 January 2015.

In accordance with section 98b (3) of the Danish Financial Statement Act, no management remuneration has been disclosed.

## 2 Other financial income

	<b>2023</b>	<b>2022</b>
	<b>DKK</b>	<b>DKK</b>
Other interest income	155,197	143,151
Exchange rate adjustments	1,621,518	6,259,788
Other financial income	61,066	0
	<b>1,837,781</b>	<b>6,402,939</b>

## 3 Other financial expenses

	<b>2023</b>	<b>2022</b>
	<b>DKK</b>	<b>DKK</b>
Financial expenses from group enterprises	1,291,411	1,445,691
Other interest expenses	843,142	444,057
Exchange rate adjustments	1,070,407	3,976,010
Other financial expenses	8,531	25,461
	<b>3,213,491</b>	<b>5,891,219</b>

#### 4 Tax on profit/loss for the year

	<b>2023</b>	<b>2022</b>
	<b>DKK</b>	<b>DKK</b>
Current tax	368,052	1,761,388
Change in deferred tax	181,074	1,327,354
Adjustment concerning previous years	0	42,617
	<b>549,126</b>	<b>3,131,359</b>

#### 5 Proposed distribution of profit/loss

	<b>2023</b>	<b>2022</b>
	<b>DKK</b>	<b>DKK</b>
Retained earnings	2,029,034	10,896,307
	<b>2,029,034</b>	<b>10,896,307</b>

#### 6 Intangible assets

	<b>Completed development projects DKK</b>	<b>Acquired patents DKK</b>	<b>Goodwill DKK</b>
Cost beginning of year	15,855,708	251,815	120,300,782
Transfers	15,565	0	0
Additions	567,236	0	0
Disposals	(3,573,371)	0	0
<b>Cost end of year</b>	<b>12,865,138</b>	<b>251,815</b>	<b>120,300,782</b>
Amortisation and impairment losses beginning of year	(11,130,680)	(238,768)	(120,300,782)
Transfers	(15,565)	0	0
Amortisation for the year	(2,284,329)	(13,047)	0
Reversal regarding disposals	3,573,371	0	0
<b>Amortisation and impairment losses end of year</b>	<b>(9,857,203)</b>	<b>(251,815)</b>	<b>(120,300,782)</b>
<b>Carrying amount end of year</b>	<b>3,007,935</b>	<b>0</b>	<b>0</b>

#### 7 Development projects

The Company's development projects consist of a number of customised software projects, including development of the company's ERP system. These are customized adapted functions which are necessary for the company.



## 8 Property, plant and equipment

	<b>Other fixtures and fittings, tools and equipment DKK</b>	<b>Leasehold improvements DKK</b>
Cost beginning of year	10,053,705	2,642,147
Transfers	(15,565)	0
Additions	50,305	0
Disposals	(893,926)	0
<b>Cost end of year</b>	<b>9,194,519</b>	<b>2,642,147</b>
Depreciation and impairment losses beginning of year	(7,676,597)	(2,140,918)
Transfers	15,565	0
Depreciation for the year	(1,294,093)	(278,671)
Reversal regarding disposals	893,926	0
<b>Depreciation and impairment losses end of year</b>	<b>(8,061,199)</b>	<b>(2,419,589)</b>
<b>Carrying amount end of year</b>	<b>1,133,320</b>	<b>222,558</b>
Recognised assets not owned by Entity	170,880	0

## 9 Financial assets

	<b>Deposits DKK</b>
Cost beginning of year	1,479,217
Additions	14,349
<b>Cost end of year</b>	<b>1,493,566</b>
<b>Carrying amount end of year</b>	<b>1,493,566</b>

## 10 Inventories

The inventories is divided into two categories; finished goods totals 49,540 tDKK and floating goods totals 8,956 tDKK in 2023. In 2022 finished goods totals 67,532 tDKK and floating goods totals 1,394 tDKK.

## 11 Prepayments

Prepayments consist of prepayments relating to fairs, catalogues for the new year and prepayments relating to costs in the subsequent financial year.

## 12 Contributed capital

	<b>Number</b>	<b>Par value DKK</b>	<b>Nominal value DKK</b>
Contributed Capital	51,000	1.00	51,000
	<b>51,000</b>		<b>51,000</b>

### 13 Deferred tax

	<b>2023</b>	<b>2022</b>
	<b>DKK</b>	<b>DKK</b>
Intangible assets	657,000	1,035,000
Property, plant and equipment	(271,000)	(170,000)
Inventories	1,855,000	871,000
Receivables	(88,000)	(88,000)
Liabilities other than provisions	(237,000)	(188,000)
Other taxable temporary differences	830,000	762,676
<b>Deferred tax</b>	<b>2,746,000</b>	<b>2,222,676</b>

	<b>2023</b>	<b>2022</b>
	<b>DKK</b>	<b>DKK</b>
<b>Changes during the year</b>		
Beginning of year	2,223,000	895,322
Recognised in the income statement	181,000	1,327,354
Recognised directly in equity	342,000	0
<b>End of year</b>	<b>2,746,000</b>	<b>2,222,676</b>

### 14 Non-current liabilities other than provisions

	Due within 12	Due within 12	Due after	Outstanding
	months	months	more than 12	after 5 years
	2023	2022	months	2023
	DKK	DKK	DKK	DKK
Lease liabilities	220,072	214,658	419,854	0
Payables to group enterprises	0	1,673,328	20,773,368	0
Other payables	0	187,848	1,618,358	1,618,358
	<b>220,072</b>	<b>2,075,834</b>	<b>22,811,580</b>	<b>1,618,358</b>

### 15 Other payables

The value of forward exchange contracts is recognized at the current fair value on 31 December 2023 of 436 tDKK. Forward exchange transactions are used to hedge USD in order to minimize the company's risks of fluctuations in the USD exchange rate. There is on 31 December 2023 entered into forward transactions for a total of 3.5 million USD and concerns Q1 and Q2 of 2024.

### 16 Changes in working capital

	<b>2023</b>	<b>2022</b>
	<b>DKK</b>	<b>DKK</b>
Increase/decrease in inventories	10,429,815	2,099,328
Increase/decrease in receivables	3,940,588	2,920,208
Increase/decrease in trade payables etc.	1,667,913	(16,332,566)
	<b>16,038,316</b>	<b>(11,313,030)</b>

### 17 Contingent liabilities

Operating rental and lease commitments total 28 tDKK falls due in the next financial year.

### 18 Assets charged and collateral

Bank debt is secured on a floating charge of nominal 14,000 tDKK. The charge covers unsecured claims from sale of goods and services, operating equipment, finished goods inventories as well as goodwill, domain names and rights relating to certain acts.

At 31 December 2023, the carrying amount of mortgaged assets relating to the floating charge consists of:

- Trade receivables, 12,295 tDKK.
- Other fixtures and fittings, tools and equipment, 1,133 tDKK.
- Inventories, 59,280 tDKK.

### 19 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

### 20 Subsidiaries

	Registered in	Corporate form	Ownership %
Bloomingtonville A/S	Ikast-Brande	A/S	100.00

# Parent income statement for 2023

	Notes	2023 DKK	2022 DKK
<b>Gross profit/loss</b>		<b>(73,750)</b>	<b>(71,111)</b>
Income from investments in group enterprises		2,392,246	13,521,573
Other financial income	1	858,880	52,966
Other financial expenses	2	(1,291,411)	(3,332,642)
<b>Profit/loss before tax</b>		<b>1,885,965</b>	<b>10,170,786</b>
Tax on profit/loss for the year	3	143,069	725,521
<b>Profit/loss for the year</b>	4	<b>2,029,034</b>	<b>10,896,307</b>

# Parent balance sheet at 31.12.2023

## Assets

	Notes	2023 DKK	2022 DKK
Investments in group enterprises		58,570,126	65,464,449
<b>Financial assets</b>	5	<b>58,570,126</b>	<b>65,464,449</b>
<b>Fixed assets</b>		<b>58,570,126</b>	<b>65,464,449</b>
Receivables from group enterprises		0	1,291,125
Tax receivable		816,453	0
Joint taxation contribution receivable		0	1,554,280
<b>Receivables</b>		<b>816,453</b>	<b>2,845,405</b>
<b>Cash</b>		<b>24,148</b>	<b>119,214</b>
<b>Current assets</b>		<b>840,601</b>	<b>2,964,619</b>
<b>Assets</b>		<b>59,410,727</b>	<b>68,429,068</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2023 DKK</b>	<b>2022 DKK</b>
Contributed capital		51,000	51,000
Retained earnings		37,894,266	34,651,801
<b>Equity</b>		<b>37,945,266</b>	<b>34,702,801</b>
Payables to group enterprises		20,773,368	31,192,930
<b>Non-current liabilities other than provisions</b>	<b>6</b>	<b>20,773,368</b>	<b>31,192,930</b>
Current portion of non-current liabilities other than provisions	6	0	1,673,328
Trade payables		31,250	31,250
Tax payable		0	828,759
Joint taxation contribution payable		660,843	0
<b>Current liabilities other than provisions</b>		<b>692,093</b>	<b>2,533,337</b>
<b>Liabilities other than provisions</b>		<b>21,465,461</b>	<b>33,726,267</b>
<b>Equity and liabilities</b>		<b>59,410,727</b>	<b>68,429,068</b>
Employees	7		
Contingent liabilities	8		
Related parties with controlling interest	9		
Transactions with related parties	10		

# Parent statement of changes in equity for 2023

	<b>Contributed capital DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
Equity beginning of year	51,000	34,651,801	34,702,801
Other entries on equity	0	1,213,431	1,213,431
Profit/loss for the year	0	2,029,034	2,029,034
<b>Equity end of year</b>	<b>51,000</b>	<b>37,894,266</b>	<b>37,945,266</b>

# Notes to parent financial statements

## 1 Other financial income

	<b>2023</b>	<b>2022</b>
	<b>DKK</b>	<b>DKK</b>
Financial income from group enterprises	21,748	0
Other interest income	5,993	0
Exchange rate adjustments	793,037	0
Other financial income	38,102	52,966
	<b>858,880</b>	<b>52,966</b>

## 2 Other financial expenses

	<b>2023</b>	<b>2022</b>
	<b>DKK</b>	<b>DKK</b>
Financial expenses from group enterprises	1,291,411	1,445,691
Other interest expenses	0	2,951
Exchange rate adjustments	0	1,884,000
	<b>1,291,411</b>	<b>3,332,642</b>

## 3 Tax on profit/loss for the year

	<b>2023</b>	<b>2022</b>
	<b>DKK</b>	<b>DKK</b>
Refund in joint taxation arrangement	(143,069)	(725,521)
	<b>(143,069)</b>	<b>(725,521)</b>

## 4 Proposed distribution of profit and loss

	<b>2023</b>	<b>2022</b>
	<b>DKK</b>	<b>DKK</b>
Retained earnings	2,029,034	10,896,307
	<b>2,029,034</b>	<b>10,896,307</b>



## 5 Financial assets

	<b>Investments in group enterprises DKK</b>
Cost beginning of year	157,019,460
<b>Cost end of year</b>	<b>157,019,460</b>
Impairment losses beginning of year	(91,555,011)
Adjustments on equity	1,213,431
Share of profit/loss for the year	2,392,246
Dividend	(10,500,000)
<b>Impairment losses end of year</b>	<b>(98,449,334)</b>
<b>Carrying amount end of year</b>	<b>58,570,126</b>

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

## 6 Non-current liabilities other than provisions

	<b>Due within 12 months 2022 DKK</b>	<b>Due after more than 12 months 2023 DKK</b>
Payables to group enterprises	1,673,328	20,773,368
	<b>1,673,328</b>	<b>20,773,368</b>

There are no outstanding payables to group enterprises after 5 years.

## 7 Employees

The Entity has no employees other than the Executive Board. The Executive Officer or Bord has not received any remuneration.

## 8 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entitiest.

## 9 Related parties with controlling interest

Creative Co-Op, LLC. 6000 Freeport Avenue, Memphis, TN 38141, Inc owns all shares in BV Holding Company ApS, thus exercising control.

Regent Holding Company, LLC. 6000 Freeport Avenue, Memphis, TN 38141 owns all shares in Creative Co-Op LLC, thus exercising control.

Regent intermediate Company, 6000 Freeport Avenue, Memphis, TN 38141, owns all shares in Regent Holding Company, LLC, thus exercising control.

RHC Investment Corp, 11100 Santa Monica, Santa Monica Blvd , owns all shares in Regent intermediate Company, thus exercising control.

Freeman Spogli & Co LLC. 11100 Santa Monica Blvd, Santa Monica Blvd owns shares in RHC Investment Corp, thus exercising control.

#### **10 Non-arm's length related party transactions**

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

# Accounting policies

## Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

## Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

## Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

## Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

### Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

### Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

### Income statement

#### Gross profit or loss

Gross profit or loss in the group comprises revenue, changes in inventories of finished goods, other operating income, costs of raw materials and consumables and external expenses. In parent income statement gross profit or loss comprises of external expenses.

#### Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

#### Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities. This is including gains and losses from the sale of intangible assets as well as plant and equipment, wage subsidies etc.

#### Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns. It also includes customs duty, commission to agents etc.

#### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

#### Staff costs

Staff costs comprise wages and salaries, and social security contributions, pension contributions, etc. for entity staff.

#### Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year.

**Income from investments in group enterprises**

Income from investments in group enterprises comprises dividends etc. received from the individual group enterprises in the financial year.

**Other financial income**

Other financial income comprises interest income, payables and transactions in foreign currencies as well as tax relief under the Danish Tax Prepayment Scheme etc.

**Other financial expenses**

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

**Tax on profit/loss for the year**

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Parent is jointly taxed with all of its Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

**Balance sheet****Goodwill**

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For other amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 5 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

**Intellectual property rights etc.**

Intellectual property rights etc comprise acquired intellectual property.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation on property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 3-5 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

### **Property, plant and equipment**

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	<b>Useful life</b>
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period. Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

### **Investments in group enterprises**

Investments in group enterprises are recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Goodwill is calculated as the difference between cost of the investments and fair value of the pro rata share of assets and liabilities acquired. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful lives are reassessed annually. The amortisation periods used are 5 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

**Inventories**

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

**Receivables**

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

**Tax payable or receivable**

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

**Joint taxation contributions payable or receivable**

Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

**Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

**Cash**

Cash comprises cash in hand and bank deposits.

**Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

**Lease liabilities**

Lease liabilities relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease liabilities are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

**Other financial liabilities**

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

**Prepayments received from customers**

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

### **Cash flow statement**

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk.