

Bibs Danmark ApS

Høgevej 19
3400 Hillerød

CVR No. 37218146

Annual report 2022

1 January 2022 - 31 December 2022

Adopted at the Annual General Meeting on 13
June 2023

Henrik Juul Hansen
Chairman

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Company details

Company

Bibs Danmark ApS
Høgevej 19
3400 Hillerød

CVR No.: 37218146

Executive board

Henrik Juel Larsen

Board of Directors

Henrik Juul Hansen
Henrik Juel Larsen
Michael Bisgaard Christensen
Rasmus Emil Andersen

Auditors

inforevision
statsautoriseret revisionsaktieselskab
Buddingevej 312
2860 Søborg
CVR No. 19263096

Michael Dam-Johansen, state authorised public accountant

Financial highlights

	2022	2021	2020	2019	2018
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Income statement					
Gross profit/loss	67,748	96,756	55,795	14,491	5,216
EBITDA	32,396	78,420	44,982	13,177	4,211
EBIT	31,908	78,249	44,982	12,706	4,081
Net financials	-1,024	-507	-253	-61	-11
Profit/loss for the year	24,096	60,643	34,877	9,863	3,175
Balance sheet					
Total assets	73,440	85,716	53,704	28,076	8,819
Invested capital	8,332	57,021	20,505	1,889	3,676
Equity	24,813	60,717	35,074	10,097	3,234
Cash flows					
Cash flow from operating activities	31,557	45,809	3,859	0	0
Cash flow from investing activities	-936	-2,068	2,147	0	0
Cash flow from financing activities	-28,248	-33,196	-15,221	0	0
Cash flows for the year	2,372	10,545	-9,214	0	0
Average number of full-time employee	55	34	12	1	1
Ratios					
Return on invested capital (%)	97,7%	201,9%	402,0%	457,0%	227,0%
Solvency ratio (%)	33,8%	70,8%	65,0%	36,0%	37,0%
Return on equity (%)	56,3%	126,6%	154,0%	148,0%	193,0%

***The ratios have been prepared in accordance with "Guidelines and ratios 2015" from The Danish Finance Analysts Society. Reference is made to definitions and concepts under accounting policies.

Management's Review

Primary activities

The main activity of Bibs Danmark ApS ("Bibs Danmark") is the sales of premium childcare products, hereunder pacifiers, baby bottles and accessories as well as other complementary products under the BIBS brand with focus on quality, functionality and sustainability. Bibs Danmark is wholly owned by AH License ApS (the "Parent") and is affiliated with Bibs Production ApS, Bibs International Trading ApS, Bibs Trading UK Limited and and BIBS America Inc. ("Bibs US") (jointly referred to as the "Bibs Group"). Bibs Group's main activities consist of the development, design, manufacturing, marketing and sales of premium childcare products, hereunder pacifiers, baby bottles and accessories as well as other complementary products under the BIBS brand with focus on design, quality, functionality and sustainability.

The manufacturing and product development activities are primarily conducted by Bibs Production and the sales activities are conducted by Bibs Danmark, Bibs International, Bibs UK and Bibs US.

The Bibs Group distributes its products worldwide in over 90 markets in a diversified distribution model.

The Bibs Group operates the Nordic countries, UK, Germany, and the US as own markets with management and sales teams. All other markets are handled via a unique distribution model with selected distributors.

Additionally, the Bibs Group operates its own online B2C brand store (www.bibsworld.com) and sales on international online marketplaces.

The history

The Bibs Group is an exclusive Danish brand founded in 1978.

The original and iconic BIBS pacifier (Colour) has been on the market for over 40 years. Since then, the pacifiers have been adapted, improved, and enhanced so they all appear in a beautiful design, made of the best of safest material on the market. Several uniquely designed pacifiers have been added over the last years to redefine the shape and form and feel of a pacifier, which is one of the key components for the continued growth of the Bibs Group.

One of the keys to the success of Bibs is the honest and professional advice we provide. We are honoured by the trust that our customers and consumers show us. We achieve this only thanks to the efforts of our dedicated employees, their interest in and dedication to the development of the Bibs Group. We have continued our growth journey by hiring a strong, experienced and dedicated top management team and by additionally employing 68 (52 to 120 FTE) people in 2022 to provide the best service to our own markets, distributors and customers around the world.

To support this growth strategy, the Bibs Group continues to invest in research and development. Costs related hereto are primarily associated with development costs related to new products as well as further development on the existing pacifiers and other products in the product portfolio. In addition to this, Bibs Group management has high expectations to the market potential of the markets recently converted to own markets – the US, the UK and Germany.

Management's Review, continued

Development in activities, financial matters and business performance

The Bibs Group has continued its business expansion and is a truly global group with more than 10,000 points of sales in more than 90 markets and growing. The continued broad-based growth in Bibs Group is based on a high-quality product offering and unique brand position in the market reflected by an increase in demand of the Bibs Group's products by end-consumers. The Bibs Group has continued to introduce new quality products and introduced a collab with the famed British design house Liberty, enhancing the iconic Bibs pacifiers and accessories with unique floral prints. In 2022, Bibs fully entered the baby feeding category with a successful launch of the Baby Bottle in unique quality and functional design. The Baby Bottle is now marketed and sold in most key markets and is expected to contribute to further growth in 2023.

The gross profit for the Bibs Danmark is 68 mDKK and EBITDA for the year amounts to 32 mDKK. Bibs Group has faced material increases in cost of sales (e.g., increase in raw material prices, costs of external online trading platforms and transport costs). The result is in accordance with the projections and expectations set out in our 2021 annual report. Bibs Group decided throughout 2022 not to make any material price increases to the benefit of our end customers.

In addition to these external factors affecting gross profit, the profit (EBITDA) of the year has primarily been affected by two internal Bibs Group decisions. Namely, (i) the taking over the UK, US and German markets from distributors and converting these markets to own markets such as the Nordics, (ii) taking on a broader management team and doubling of staff costs compared to last year, and finally. In relation to the takeover of the US market Bibs Group has taken a loss and write-down of debt to the former distributor in US. Furthermore, Bibs is present in most channels like D2C, market places, drug stores, specialty store and pharmacies and the migration towards market places like Amazon has increased variable costs like transportation and marketing costs in the company affecting the 2022 results negatively.

The decisions are considered by the executive board and the board of directors as key drivers for the growth expected in 2023 and beyond. Controlling key markets with highly skilled local management and sales teams combined with a stronger setup and development of the B2C brand store and marketplaces will drive further revenue growth and profitability in the years to come. Topline is expected to continue to grow double digit in 2023 with more limited one-off costs, having a positive impact on EBITDA.

Subsequent events

No other events materially affecting the assessment of the Annual Report have occurred after the end of the financial year.

Outlook

The Bibs Group will – in continuation of the 'Develop from the Core' strategy – continue to develop and expand its position in the market for the sale of baby and maternity products. In the coming years, the continued execution of the business plan entails further growth initiatives within expansion of B2C platforms in a number of selected export markets, further development of the production range and establishment of targeted sales initiatives within selected international areas. The new launch of the Liberty x Bibs collection was launched in early 2023 and the management expects strong sales results from the collection and collaboration.

Environmental affairs

The Bibs Group purchases certificates from its electricity provider to document that electricity used in production facilities comes from renewable energy sources in Europe. The Bibs Group uses only FSC-approved cardboard, and all our product assembly is conducted in accordance with applicable legislation.

We strive to improve and minimize our environmental impact by for example minimizing the use of packaging and always use recycled materials to the extent possible. Scrapped pre-consumer waste from our plastic production is being sold off to companies giving it a second life.

Management's Review, continued

Financial risks

The Bibs Group uses no external financial sources and uses no financial instruments to counter fluctuations in exchange rates.

Management expects that production costs to be more stable in the coming years. Bibs Group has solid control over the supply chain through own production site and long history and cooperation with key suppliers.

Branches in foreign countries

All international activities are either conducted via wholly controlled subsidiaries or local distributors.

Statement by Management

The Board of Directors and The Executive Board have today considered and adopted the annual report for 1 January 2022 - 31 December 2022 for Bibs Danmark ApS.

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 the company's financial position at 31 December 2022 and of the results of its operations and cash flows for the financial year 1 January 2022 - 31 December 2022.

We believe that the Management's review contains a fair review of the affairs and conditions referred to therein.

We recommend that the annual report be adopted at the Annual General Meeting.

Hillerød, 13 June 2023

Executive board

Henrik Juel Larsen
CEO

Board of Directors

Henrik Juul Hansen
Chairman

Henrik Juel Larsen
Board member

Michael Bisgaard Christensen
Board member

Rasmus Emil Andersen
Board member

Independent auditor's report

To the shareholder in Bibs Danmark ApS

Opinion

We have audited the financial statements of Bibs Danmark ApS for the financial year 1 January 2022 - 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity, statement of cash flows and notes. The financial statements are prepared under the Danish Financial Statements Act.

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the company in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of 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, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent auditor's report, continued

- 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 content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on Management's Review

Management is responsible for Management's Review.

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

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 Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act.

We did not identify any material misstatement in Management's Review.

Søborg, 13 June 2023

inforevision
Statsautoriseret revisionsaktieselskab
CVR No. 19263096

Michael Dam-Johansen
State Authorised Public Accountant
mne36161

Accounting policies

Information on reporting class

The annual report has been prepared in accordance with Danish financial statement legislation as well as generally accepted accounting principles.

The annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing Reporting class C, (medium-sized enterprises).

The accounting policies have not been changed from last year.

Adjustment of previous years errors and changes in comparative figures

The company has corrected the classification of salary reimbursements, which last year was presented under the item "Staff Costs", where the presentation has been changed and presented under the item "Other operating income". Comparative figures have been restated accordingly. The change has no impact on the profit/loss, balance or equity. As a result of the correction, gross profit has increased by DKK 80 thousand, while staff costs have increased by DKK 80 thousand.

Accounting policies, continued

Generally regarding recognition and measurement

The financial statements have been prepared based on historical cost.

The income is 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.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the annual report which confirm or invalidate affairs and conditions existing at the balance sheet date.

The functional currency is Danish Kroner. All other currencies are considered foreign currencies.

Foreign currency translation

During the year, transactions in foreign currencies have been translated applying the exchange rate at the transaction date. If currency positions are considered hedge of future cash flows, the value adjustments are recognised directly in equity.

Receivables and debt denominated in foreign currencies have been recognised at the exchange rate of the balance sheet date.

Realised and unrealised exchange gains and losses have been recognised in the income statement under other financial income and expenses.

Accounting policies, continued

Income statement

The income statement has been classified by nature.

Gross profit

Gross profit/loss includes "Revenue", "Cost of sales", "Other operating income" and "External expenses".

Revenue

As income recognition criterion, the completed contract method is applied so that revenue comprises invoiced revenue for the year. 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 before the end of the financial year. Revenue is measured at fair value excl. VAT and less granted goods and customer discounts.

Cost of sales

Cost of sales comprise expenses incurred to earn revenue for the year including consumables used as well as packaging in the year.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the company's primary activities, including payments received from public authorities as well as profit on sale of fixed assets.

Payments received from public authorities consist of salary reimbursements, which are corrected in comparative figures - Therefore a difference arises between other operating income and personnel expenses compared to previous years.

External expenses

External expenses comprises Selling costs, Cost of premises and Administrative expenses.

Staff costs

Staff costs include wages and salaries including holiday pay and pensions and other social security costs etc. to the company's employees.

Financial expenses

Financial expenses is recognised with amounts concerning the the financial year. Financial expenses comprise interest, realised and unrealised exchange losses as well as interest surcharge under the Danish Tax Prepayment Scheme.

Tax on profit or loss for the year

Tax on profit or loss for the year represents 22% of the book profit or loss adjusted for non-taxable and non-deductible items.

Tax on profit or loss for the year consists of the anticipated tax portion of the taxable income for the year adjusted for the changes for the year in deferred tax. Changes in deferred taxes due to adjustments of tax rates is recognised in the income statement.

Tax on profit or loss for the year is recognised in the income statement by the portion attributable to the profit or loss for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The company is subject to the Danish Tax Prepayment Scheme. Interest reimbursement and interest surcharge have been recognised in financial income and expenses.

Accounting policies, continued

Balance sheet

The balance sheet has been presented in account form.

Assets

Intangible assets

Intangible assets are measured at cost less accumulate amortisation.

Cost comprises the acquisition price as well as costs directly related to the acquisition until the time when the asset is ready to be put into operation.

Assets are amortised on a straight-line basis over their estimated useful lives:

Category	Period
Software	5 years

As the intangible assets are not being traded in an active and effective market, no residual values after end of use are included when determining the amortisation period.

Profit/loss on sale has been included in the income statement under other operating income and other operating expenses.

The carrying amounts of intangible assets are reviewed annually for indication of impairment for losses, apart from what is expressed by usual amortisation. If this applies, impairment for loss is made of each asset or group of assets, respectively, to lower recoverable amount. As recoverable amount, the higher of expected net selling price and net present value is applied. The net present value is calculated as the present value of the expected cash flows from the use of the asset or the group of assets.

Impairment for loss for the year is recognised in the income statement as amortisation, depreciation and impairment for loss of property, plant and equipment and intangible assets.

Accounting policies, continued

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulate depreciation. The basis of depreciation is cost less estimated residual value after the end of useful life.

Cost comprises the acquisition price as well as costs directly related to the acquisition until the time when the asset is ready to be put into operation.

The costprice for an asset is divided into separate components, that are depreciated separately, if the useful life of the individual components is significantly different.

Depreciation is initiated when the assets are ready to be taken into operation. Assets are depreciated on a straight-line basis over their estimated useful lives with following residual values:

Category	Period	Residual value
Leasehold improvements	5 years	0%

Minor purchases with useful lives below one year have been recognised as an expense in the income statement in external expenses.

Profit/loss on sale or retirement has been included in the income statement under other operating income and other operating expenses.

The carrying amounts of property, plant and equipment are reviewed annually for indication of impairment for losses, apart from what is expressed by usual depreciation. If this applies, impairment for loss is made of each asset or group of assets, respectively, to lower recoverable amount. As recoverable amount, the higher of expected net selling price and net present value is applied. The net present value is calculated as the present value of the expected cash flows from the use of the asset or the group of assets.

Impairment for loss for the year is recognised in the income statement as amortisation, depreciation and impairment for loss of property, plant and equipment and intangible assets.

Leasing

Property, plant and equipment that are assets held under lease and meet the conditions for financial leasing are accounted for according to the same guidelines as owned assets. Assets held under lease are recognised in the balance sheet at the lower of fair value and present value of the future lease payments. On calculation of the present value, the internal interest rate of the lease is applied as discount factor or an approximate value thereof. Assets held under finance lease are depreciated and written down according to the same policies as are determined for the Company's remaining fixed assets.

The capitalised remaining lease commitment is recognised in the balance sheet as a liability other than provisions, and the interest portion of lease payments is recognised over the term of the lease in the income statement.

Remaining leases are considered operating lease. Payments in relation to operating lease are recognised on a straight-line basis in the income statement over the term of the lease.

Accounting policies, continued

Other receivables classified as fixed assets

Deposits recognised as fixed assets are measured at amortised cost, which usually corresponds to nominal amount.

Inventories

Inventories are measured at cost according to the FIFO method. In the event of cost exceeding net realisable value, writedown is made to this lower value.

Cost of goods for resale as well as raw materials and consumables comprises purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and other direct costs. Applied indirect production costs are included. Indirect production costs comprise indirect materials and wages as well as maintenance of and depreciation of the production equipment and buildings used in the manufacturing process.

The net realisable value of inventories is calculated at the estimated selling price less completion costs and expected costs to execute sale. The net realisable value is determined allowing for marketability, obsolescence and development in expected sales price.

Received prepayments from customers regarding non delivered goods are recognised as liabilities.

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. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

Prepayments

Prepayments comprise costs incurred relating to subsequent financial years.

Accounting policies, continued

Equity and liabilities

Equity

Reserve for development expenditure comprise capitalised development expenses from 1 January 2016. The reserve cannot be used for dividends or for elimination of negative retained earnings. The reserve is reduced or dissolved due to amortisation or divestment by transferring the amount from the reserve to retained earnings.

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

Deferred tax and corporation tax

Deferred tax is measured using the balance sheet liability method. Provision has been made for deferred tax by 22% on all temporary differences between carrying amount and tax-based value of assets and liabilities. Deferred tax is also measured with respect of the planned use of the asset and the settlement of the liability.

The tax value of the tax losses to be carried forward are included in the calculation of deferred taxes if it is probable that the losses can be used. Deferred tax assets are measured at net realisable value.

The company is jointly taxed with other Danish group enterprises with AH Group Holding ApS as Management company. The tax effect of the joint taxation is allocated among the group enterprises in ratio to their taxable income according to the rules on full allocation with a refund for tax losses of the Danish Corporation Tax Act.

Joint tax contributions between the jointly taxed companies which have not been settled at the balance sheet date are classified as joint tax contributions in receivables or liabilities other than provisions.

Financial debts

Short-term debts are measured at amortised cost, substantially corresponding to nominal value.

Cash flow statement

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

Cash flows from acquisitions and divestments are shown separately under cash flows from investing activities. In the cash flow statement, cash flows regarding acquired companies are recognised from the date of acquisition and cash flows from divested companies are recognised until the transfer date.

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for non-cash operating items, financial income and expenses paid, corporation taxes as well as increase and decrease in inventories, trade receivables, trade payables and other changes in assets and liabilities other than provisions deriving from operations.

Cash flows from investing activities comprise payments in the year in connection with acquisition and sale of fixed assets as well as payments in connection with acquisition and divestment of companies.

Cash flows from financing activities comprise payments in the year from inception and repayment of long-term liabilities other than provisions as well as payments made to and received from the shareholder's.

Cash and cash equivalents comprise cash at bank and in hand as well as cash management and are thus exposed to significant changes in both positive and negative directions during the year.

Accounting policies, continued

Financial highlights

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark. Financial highlights are calculated on basis of the financial statements, and no adjustments nor normalisations for analysis purposes have been unless expressed in the section of the financial highlights.

The financial highlights are calculated as follows:

Financial highlights		Explanation
EBITDA	=	Profit/loss for the year with addition of financial items, tax on profit/loss for the year as well as depreciation and amortisation
Gross margin	=	Gross profit/loss * 100/Revenue
EBIT margin	=	EBIT * 100/Revenue
Return on invested capital	=	EBIT * 100/Average invested capital*
Solvency ratio	=	Equity * 100/Total assets
Return on equity	=	Profit/loss for the year * 100/Average equity

*Invested capital are defined as net working capital with addition of operating intangible assets and Property, plant and equipment and deducted by other provisions.

Income statement

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> DKK
Gross profit		67,747,798	96,755,571
Staff costs	2	-35,351,335	-18,335,836
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		32,396,463	78,419,735
Depreciation, amortisation and impairment losses of property, plant and equipment and intangible assets		-488,198	-170,856
Earnings before interest and taxes (EBIT)		31,908,265	78,248,879
Finance expenses	3	-1,023,592	-506,586
Profit/loss before tax		30,884,673	77,742,293
Tax on profit/loss for the year	4	-6,789,118	-17,099,018
Profit/loss for the year		<u>24,095,555</u>	<u>60,643,275</u>
Special items	1		

Assets

	Note	31/12-2022	31/12-2021
		DKK	DKK
Software		883,054	679,959
Intangible assets	5	883,054	679,959
Leasehold improvements		1,490,621	1,315,840
Property, plant and equipment	6	1,490,621	1,315,840
Deposits		400,122	330,000
Investments	7	400,122	330,000
Fixed assets		2,773,797	2,325,799
Manufactured goods and goods for resale		0	286,049
Inventories		0	286,049
Trade receivables		32,889,450	42,301,832
Other receivables		14,347,433	20,055,783
Prepayments	8	473,518	163,596
Receivables		47,710,401	62,521,211
Cash at bank and in hand		22,955,407	20,583,181
Current assets		70,665,808	83,390,441
Total assets		73,439,605	85,716,240

Equity and liabilities

	Note	31/12-2022 DKK	31/12-2021 DKK
Contributed capital		50,000	50,000
Reserve for development expenditure		268,613	0
Retained earnings		493,903	666,961
Proposed dividend recognised in equity		24,000,000	60,000,000
Equity		24,812,516	60,716,961
Deferred tax, liabilities	4	258,485	85,662
Provisions		258,485	85,662
Short-term part of long-term liabilities other than provisions		0	113,011
Trade payables		3,706,386	2,621,296
Payables to group enterprises		34,879,095	3,127,340
Joint tax contribution payables	4	6,616,295	17,018,801
Other payables		3,166,828	2,033,169
Short-term liabilities other than provisions		48,368,604	24,913,617
Liabilities other than provisions		48,368,604	24,913,617
Total equity and liabilities		73,439,605	85,716,240
Contingent liabilities	10		
Unrecognised contractual commitments	11		
Related parties	12		
Group relations	13		

Statement of changes in equity

	Contrib- uted capital	Reserve for develop- ment expenditure	Retained earnings	Proposed dividend recognised in equity	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January 2021	50,000	0	23,686	35,000,000	35,073,686
Dividends paid			0	-35,000,000	-35,000,000
Distributed profit/loss for the year			643,275	60,000,000	60,643,275
Equity at 1 January 2022	50,000	0	666,961	60,000,000	60,716,961
Dividends paid			0	-60,000,000	-60,000,000
Distributed profit/loss for the year			95,555	24,000,000	24,095,555
Transferred to reserve for development expenditure for the the year		268,613	-268,613		0
Equity at 31 December 2022	50,000	268,613	493,903	24,000,000	24,812,516

Cash flow statement

	Note	2022	2021
Profit/loss for the year		24,095,555	60,643,275
Depreciation, amortisation and impairment losses of property, plant and equipment and intangible assets		488,198	170,856
Adjustments	14	7,812,710	17,605,604
Change in inventories		286,049	14,121,053
Change in trade receivables		9,412,382	-23,536,392
Change in trade payables		1,085,090	280,180
Change in other working capital		6,419,076	-13,019,150
Cash flows from operating activities before financial income and expenses		49,599,060	56,265,426
Financial expenses		-1,023,592	-506,586
Corporation tax paid		-17,018,801	-9,950,320
Cash flows from operating activities		31,556,667	45,808,520
Purchase of intangible assets		-344,375	-706,402
Purchase of property, plant and equipment		-521,699	-1,361,252
Purchase of financial assets		-70,122	0
Cash flows from investing activities		-936,196	-2,067,654
Changes in intercompany balances with group enterprises, net reduction		31,751,755	1,804,124
Dividends payout		-60,000,000	-35,000,000
Cash flows from financing activities		-28,248,245	-33,195,876
Changes in cash and cash equivalents in the year		2,372,226	10,038,191
Cash and cash equivalents at 1 January 2022		20,583,181	0
Cash and cash equivalents at 31 December 2022		22,955,407	20,583,181
<i>Cash and cash equivalents at 31 December 2022 can be specified as follows:</i>			
Cash at bank and in hand		22,955,407	20,583,181
Cash and cash equivalents at 31 December 2022		22,955,407	20,583,181

Notes

1. Special items

	<u>2022</u>	<u>2021</u>
	DKK	DKK
Salary reimbursements	380,758	79,354
Total	<u>380,758</u>	<u>79,354</u>

Special items is included in the income statement in the items "Other operating income".

2. Staff costs

	<u>2022</u>	<u>2021</u>
	DKK	DKK
Wages and salaries	28,540,926	19,910,128
Wages and salaries, passed on	0	-6,364,232
Pensions	3,392,498	2,046,279
Other social security costs	454,233	301,824
Other staff cost	2,963,678	2,441,837
Total	<u>35,351,335</u>	<u>18,335,836</u>
Average number of full-time employees	<u>55</u>	<u>34</u>

Remuneration for management categories:

Referring to section 98 b (3) of the Danish Financial Statement Act, remuneration of the executive board and the board of directors have not been disclosed.

3. Finance expenses

	<u>2022</u>	<u>2021</u>
	DKK	DKK
Financial expenses to group enterprises	0	359
Other financial expenses	1,023,592	506,227
Total	<u>1,023,592</u>	<u>506,586</u>

Notes, continued

4. Tax expense

	Joint tax contribution	Deferred tax	Tax on profit/loss for the year	2021
	DKK	DKK	DKK	DKK
Payables at 1 January 2022	17,018,801	85,662		
Paid in respect of previous years	-17,018,801			
Tax on profit/loss for the year	6,616,295	172,823	6,789,118	17,099,018
Payables at 31 December 2022	6,616,295	258,485		
Tax on profit/loss for the year recognised in the income statement			6,789,118	17,099,018

Recognition in balance sheet:

Provisions		258,485	
Short-term payables	6,616,295		
Total	6,616,295	258,485	

Deferred tax is incumbent upon the following assets and liabilities:

	31/12-2022	31/12-2021
Intangible assets	194,272	33,035
Property, plant and equipment	64,213	52,627
Deferred tax liability (+)/Deferred tax asset (-)	258,485	85,662

Deferred tax assets are measured at net realisable value and are based on management's best accounting estimate of their utilisation within a period of 3-5 years. Based on the budgets for the coming years, management assesses that the utilisation of deferred tax assets is realistic.

Notes, continued

5. Intangible assets

	Software	Total	2021
	DKK	DKK	DKK
Cost at 1 January 2022	706,402	706,402	0
Additions for the year	344,375	344,375	706,402
Cost at 31 December 2022	1,050,777	1,050,777	706,402
Amortisation and impairment losses at 1 January 2022	-26,443	-26,443	0
Amortisation for the year	-141,280	-141,280	-26,443
Amortisation and impairment losses at 31 December 2022	-167,723	-167,723	-26,443
Carrying amount at 31 December 2022	883,054	883,054	679,959

6. Property, plant and equipment

	Leasehold improvements	Total	2021
	DKK	DKK	DKK
Cost at 1 January 2022	1,460,252	1,460,252	99,000
Additions for the year	521,699	521,699	1,361,252
Cost at 31 December 2022	1,981,951	1,981,951	1,460,252
Depreciation and impairment losses at 1 January 2022	-144,412	-144,412	0
Depreciation for the year	-346,918	-346,918	-144,412
Depreciation and impairment losses at 31 December 2022	-491,330	-491,330	-144,412
Carrying amount at 31 December 2022	1,490,621	1,490,621	1,315,840

Notes, continued

7. Investments

	<u>Deposits</u>	<u>Total</u>	<u>2021</u>
	DKK	DKK	DKK
Cost at 1 January 2022	330,000	330,000	330,000
Additions for the year	70,122	70,122	0
Cost at 31 December 2022	400,122	400,122	330,000
Carrying amount at 31 December 2022	400,122	400,122	330,000

8. Prepayments

	<u>2022</u>	<u>2021</u>
	DKK	DKK
Software	473,518	163,596
Total	473,518	163,596

9. Long-term liabilities

	<u>31/12-2022</u>	<u>31/12-2021</u>
	DKK	DKK
Liabilities in total:		
Other payables	0	113,011
Total	0	113,011
Current portion of non-current liabilities:		
Other payables	0	113,011
Total	0	113,011

10. Contingent liabilities

Bibs Danmark ApS are jointly tax with other group companies and are severally liable for tax on the jointly taxed incomes etc. of the group. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of tax on interest, dividend tax and tax on royalty payments. Any subsequent adjustments of corporation taxes and withholding taxes may increase the the company's liability.

Notes, continued

11. Unrecognised contractual commitments

	<u>2022</u>
	DKK
The company has entered into rental commitment regarding rent of premises. The total commitment represents	396,000
Total rental and lease obligations	<u>396,000</u>

12. Related parties

Related parties with controlling interest comprise the following:

<u>Controlling interest:</u>	<u>Basis of controlling interest:</u>
AH License ApS Høgevej 19 Hillerød, 3400, Denmark	Main shareholder
AH Group Holding ApS Gøngevænget 12, Gadevang Hillerød, 3400, Denmark	Owner of AH License ApS with 100 %
Henrik Juel Larsen	Owner of AH Group ApS with 50 %
Ann-Cathrine Juel Lythcke	Owner of AH Group ApS with 50 %

in accordance with section 98(c)(7) of the Danish Financial Statements Act no related party transactions have been disclosed as management assess all transactions have been carried out on an arm's length basis.

Notes, continued

13. Group relations

Consolidated Financial Statements The Company is included in the Group Annual Reports of the Parent Companies of the holding company and the largest group::

The largest group: AH Group Holding ApS
Gøngevænget 12, Gadevang
Hillerød, 3400, Denmark

The smallest group: AH License ApS
Høgevej 19
Hillerød, 3400, Denmark

The consolidated report of the foreign parent company may be obtained at the parent company website www.cvr.dk.

14. Adjustments

	<u>2022</u>	<u>2021</u>
	DKK	DKK
Finance expenses	1,023,592	506,586
Tax on profit/loss for the year	6,789,118	17,099,018
Total	<u>7,812,710</u>	<u>17,605,604</u>

Proposed distribution of profit and loss

	<u>2022</u>	<u>2021</u>
	DKK	DKK
Proposed distribution of profit and loss for the year :		
Proposed dividends for the financial year	24,000,000	60,000,000
Transferred to retained earnings	95,555	643,275
Profit/loss for the year	<u>24,095,555</u>	<u>60,643,275</u>

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