
Blu Digital Group Denmark Holding ApS

Carl Jacobsens Vej 16, 3., DK-2500 Valby

Annual Report for
1 July 2022 - 31 December 2022

CVR No. 37 85 63 39

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 29/6 2023

Paulette Evangeline
Pantoja
Chairman of the
general meeting



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Management's statement

The Executive Board has today considered and adopted the Financial Statements of Blu Digital Group Denmark Holding ApS for the financial year 1 July - 31 December 2022.

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

In my opinion the Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and of the results of the Company operations 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 Financial Statements be adopted at the Annual General Meeting.

Valby, 29 June 2023

Executive Board

Paulette Evangeline Pantoja
Manager

Independent Auditor's report

To the shareholder of Blu Digital Group Denmark Holding ApS

Opinion

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

We have audited the Financial Statements of Blu Digital Group Denmark Holding ApS for the financial year 1 July - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("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 Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 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.

Management's responsibilities for the Financial Statements

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

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

Independent Auditor's report

Auditor's responsibilities for the audit of the Financial Statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

Ringsted, 29 June 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Kenneth Østergaard

State Authorised Public Accountant

mne47262

Company information

The Company	Blu Digital Group Denmark Holding ApS Carl Jacobsens Vej 16, 3. DK-2500 Valby CVR No: 37 85 63 39 Financial period: 1 July - 31 December Municipality of reg. office: København
Executive Board	Paulette Evangeline Pantoja
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Eventyrvej 16 4100 Ringsted

Management's review

Key activities

The purpose of the company consists of owning capital shares in subsidiaries and running related business.

Development in the year

The income statement of the Company for 2022 shows a loss of DKK 661,135, and at 31 December 2022 the balance sheet of the Company shows positive equity of DKK 6,646,540.

The management has chosen to rearrange the company's accounting period. Previously, the company submitted accounts with a balance sheet date of 30 June, from now on the accounts will be submitted with a balance sheet date of 31 December.

The accounting period for the current financial year therefore covers 6 months. No adjustments have been made to the comparative figures as a result of the changed accounting period.

Uncertainty relating to recognition and measurement

There is uncertainty associated with recognition of the capital shares in subsidiaries which are recognized and measured under the equity method. Reference is made to note 1.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 July - 31 December

	Note	2022	2021/22
		DKK 6 months	DKK 12 months
Gross loss		-7,625	-7,250
Income from investments in subsidiaries	2	-653,510	120,855
Profit/loss before tax		-661,135	113,605
Tax on profit/loss for the year		0	0
Net profit/loss for the year		-661,135	113,605

Distribution of profit

	2022	2021/22
	DKK	DKK
Proposed distribution of profit		
Extraordinary dividend paid	4,050,000	0
Reserve for net revaluation under the equity method	-4,703,510	120,855
Retained earnings	-7,625	-7,250
	-661,135	113,605

Balance sheet 31 December

Assets

	Note	2022	2021/22
		DKK	DKK
Investments in subsidiaries	3	9,799,658	11,373,862
Fixed asset investments		<u>9,799,658</u>	<u>11,373,862</u>
Fixed assets		<u>9,799,658</u>	<u>11,373,862</u>
Receivables from group enterprises		2,020,564	0
Other receivables		0	8,000
Receivables		<u>2,020,564</u>	<u>8,000</u>
Current assets		<u>2,020,564</u>	<u>8,000</u>
Assets		<u>11,820,222</u>	<u>11,381,862</u>

Balance sheet 31 December

Liabilities and equity

	Note	2022	2021/22
		DKK	DKK
Share capital		500,000	500,000
Reserve for net revaluation under the equity method		5,778,352	10,481,862
Retained earnings		368,188	375,813
Equity		6,646,540	11,357,675
Trade payables		6,875	0
Payables to group enterprises		3,129,307	12,437
Payables to owners and Management		0	5,000
Other payables		2,037,500	6,750
Short-term debt		5,173,682	24,187
Debt		5,173,682	24,187
Liabilities and equity		11,820,222	11,381,862

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Statement of changes in equity

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 July	500,000	10,481,862	375,813	11,357,675
Extraordinary dividend paid	0	0	-4,050,000	-4,050,000
Net profit/loss for the year	0	-4,703,510	4,042,375	-661,135
Equity at 31 December	500,000	5,778,352	368,188	6,646,540

Notes to the Financial Statements

1. Uncertainty relating to recognition and measurement

Capital shares in subsidiaries are recognized and measured under the equity method. In the subsidiary Blu Digital Group Denmark DK ApS, there is uncertainty associated with the valuation of the deferred tax asset, which is recognized at DKK 1,600,000. Based on this uncertainty, there is also uncertainty associated with the calculation of the equity method value in Blu Digital Group Denmark DK ApS.

	<u>2022</u> DKK	<u>2021/22</u> DKK
2. Income from investments in subsidiaries		
Share of profits of subsidiaries	-653,510	120,855
	<u>-653,510</u>	<u>120,855</u>

Notes to the Financial Statements

	2022	2021/22
	DKK	DKK
3. Investments in subsidiaries		
Cost at 1 July	892,000	892,000
Additions for the year	3,129,306	0
Cost at 31 December	<u>4,021,306</u>	<u>892,000</u>
Value adjustments at 1 July	10,481,862	13,181,007
Net profit/loss for the year	-653,510	120,855
Dividend to the Parent Company	-4,050,000	-2,820,000
Value adjustments at 31 December	<u>5,778,352</u>	<u>10,481,862</u>
Carrying amount at 31 December	<u>9,799,658</u>	<u>11,373,862</u>
Positive differences arising on initial measurement of subsidiaries at net asset value	<u>2,327,124</u>	<u>0</u>
Remaining positive difference included in the above carrying amount at 31 December	<u>2,327,124</u>	<u>0</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
Blu Digital Group Denmark A/S	København	DKK 500,000	100%
Blu Digital Group Denmark DK ApS	København	DKK 40,000	100%

4. Contingent assets, liabilities and other financial obligations

Contingent liabilities

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 by the Group amounts to DKK 0. Moreover, the group companies are jointly 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 and withholding taxes may increase the Group's liability.

Notes to the Financial Statements

5. Accounting policies

The Annual Report of Blu Digital Group Denmark Holding ApS for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The 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.

Income statement

Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

Gross loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss comprises of other external expenses.

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.

Tax on profit/loss for the year

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

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with danish subsidiaries. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Balance sheet

Investments in subsidiaries

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

Notes to the Financial Statements

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.

Equity

Dividend

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

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

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. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, 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.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial debts

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