



Obsidian Media ApS

Bødker Balles Gård 15 B
8000 Aarhus C
CVR No. 40483667

Annual report 2022

The Annual General Meeting adopted the
annual report on 29.06.2023

Jonas Tofte Bøndergaard
Chairman of the General Meeting

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Entity details

Entity

Obsidian Media ApS
Bødker Balles Gård 15 B
8000 Aarhus C

Business Registration No.: 40483667
Registered office: Aarhus
Financial year: 01.01.2022 - 31.12.2022

Board of Directors

Emil Ignatzi Reinholdt
Sasa Kovacevic
Stefan Andreas Walter Happak
Nicolai Bloch Tobiesen

Executive Board

Emil Børsting Sørensen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Obsidian Media ApS for the financial year 01.01.2022 - 31.12.2022.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

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.

Copenhagen, 29.06.2023

Executive Board

Emil Børsting Sørensen

Board of Directors

Emil Ignatzi Reinholdt

Sasa Kovacevic

Stefan Andreas Walter Happak

Nicolai Bloch Tobiesen

Independent auditor's report

To the shareholders of Obsidian Media ApS

Opinion

We have audited the financial statements of Obsidian Media ApS for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 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 Entity 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 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 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 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 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 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 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 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 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 Entity 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 the management commentary

Management is responsible for the management commentary.

Our opinion on the 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 financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the 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 under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 of the management commentary.

Copenhagen, 29.06.2023

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Bjørn Winkler Jakobsen

State Authorised Public Accountant

Identification No (MNE) mne32127

Henrik Hartmann Olesen

State Authorised Public Accountant

Identification No (MNE) mne34143

Management commentary

Primary activities

Obsidian Media ApS' main activities are to conduct business with digital marketing and through affiliate marketing.

Description of material changes in activities and finances

The Entity's income statement for the financial year 01.01.2022 - 31.12.2022, exhibits a result (loss) of DKK 4.1 million, and the entity's balance on 31.12.2022 exhibits a total of DKK 25,0 million and an equity on DKK 10.4 million.

Uncertainty relating to recognition and measurement

The result for 2022 is affected by a write down of intangible assets of DKK 8.2 million related to acquired websites purchased in prior years.

The budget for 2023 and forecasts have been approved by management and Board of directors. They include the effect of plans intended to achieve growth and efficiency in the years ahead. The budgets and forecasts forming the basis of the future expected cash flows, are subject to normal business uncertainty.

Outlook

The management is guiding for an improved EBITDA after normalisations in 2023.

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.

Income statement for 2022

	Notes	2022 DKK	2021 DKK
Gross profit/loss		11,520,408	11,500,697
Staff costs	1	(3,993,275)	(3,409,337)
Depreciation, amortisation and impairment losses	2	(12,395,238)	(4,271,390)
Operating profit/loss		(4,868,105)	3,819,970
Other financial income		25,460	21,723
Other financial expenses	3	(495,072)	(751,439)
Profit/loss before tax		(5,337,717)	3,090,254
Tax on profit/loss for the year	4	1,188,466	(877,225)
Profit/loss for the year		(4,149,251)	2,213,029
Proposed distribution of profit and loss			
Retained earnings		(4,149,251)	2,213,029
Proposed distribution of profit and loss		(4,149,251)	2,213,029

Balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Acquired intangible assets		10,793,294	22,477,883
Goodwill		6,861,573	7,761,452
Development projects in progress	6	606,883	0
Intangible assets	5	18,261,750	30,239,335
Other fixtures and fittings, tools and equipment		81,459	50,068
Property, plant and equipment	7	81,459	50,068
Deposits		0	251,330
Financial assets		0	251,330
Fixed assets		18,343,209	30,540,733
Manufactured goods and goods for resale		0	69,500
Inventories		0	69,500
Trade receivables		5,379,624	3,986,551
Deferred tax		681,921	0
Other receivables		369,071	330
Prepayments		57,911	156,156
Receivables		6,488,527	4,143,037
Cash		150,510	276,062
Current assets		6,639,037	4,488,599
Assets		24,982,246	35,029,332

Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital		50,000	50,000
Reserve for development expenditure		473,369	0
Retained earnings		9,917,351	14,539,971
Equity		10,440,720	14,589,971
Deferred tax		0	698,300
Provisions		0	698,300
Payables to group enterprises		9,409,133	12,921,150
Other payables		0	90,937
Non-current liabilities other than provisions	8	9,409,133	13,012,087
Bank loans		3,140,217	2,964,729
Trade payables		57,200	227,641
Payables to group enterprises		592,807	1,382,153
Income tax payable		192,336	601,717
Other payables		1,149,833	1,552,734
Current liabilities other than provisions		5,132,393	6,728,974
Liabilities other than provisions		14,541,526	19,741,061
Equity and liabilities		24,982,246	35,029,332
Contingent liabilities	9		
Assets charged and collateral	10		

Statement of changes in equity for 2022

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	50,000	0	14,539,971	14,589,971
Transfer to reserves	0	473,369	(473,369)	0
Profit/loss for the year	0	0	(4,149,251)	(4,149,251)
Equity end of year	50,000	473,369	9,917,351	10,440,720

Notes

1 Staff costs

	2022 DKK	2021 DKK
Wages and salaries	3,946,444	3,376,962
Pension costs	46,831	32,375
	3,993,275	3,409,337
Average number of full-time employees	9	9

2 Depreciation, amortisation and impairment losses

	2022 DKK	2021 DKK
Amortisation of intangible assets	3,590,435	4,269,458
Impairment losses on intangible assets	8,181,533	0
Depreciation of property, plant and equipment	20,771	1,932
Profit/loss from sale of intangible assets and property, plant and equipment	602,499	0
	12,395,238	4,271,390

3 Other financial expenses

	2022 DKK	2021 DKK
Financial expenses from group enterprises	337,983	622,599
Other interest expenses	83,813	74,961
Exchange rate adjustments	46,821	53,879
Interest regarding tax paid on account	26,455	0
	495,072	751,439

4 Tax on profit/loss for the year

	2022 DKK	2021 DKK
Current tax	205,263	615,225
Change in deferred tax	(1,380,318)	262,000
Adjustment concerning previous years	(13,411)	0
	(1,188,466)	877,225

5 Intangible assets

	Acquired intangible assets DKK	Goodwill DKK	Development projects in progress DKK
Cost beginning of year	27,030,561	9,000,000	0
Additions	0	0	606,883
Disposals	(1,150,000)	0	0
Cost end of year	25,880,561	9,000,000	606,883
Amortisation and impairment losses beginning of year	(4,552,678)	(1,238,548)	0
Impairment losses for the year	(8,181,533)	0	0
Amortisation for the year	(2,690,556)	(899,879)	0
Reversal regarding disposals	337,500	0	0
Amortisation and impairment losses end of year	(15,087,267)	(2,138,427)	0
Carrying amount end of year	10,793,294	6,861,573	606,883

6 Development projects

The cost price of development projects is derived from time spend from internal developers and expressed in man-hours and the cost of a man-hour for development of the Group's main software assets and platform for efficient work and analysis related to technologies in the marketing industry.

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	52,000
Additions	52,162
Cost end of year	104,162
Depreciation and impairment losses beginning of year	(1,932)
Depreciation for the year	(20,771)
Depreciation and impairment losses end of year	(22,703)
Carrying amount end of year	81,459

8 Non-current liabilities other than provisions

	Due after more than 12 months 2022 DKK
Payables to group enterprises	9,409,133
	9,409,133

9 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where TopCo O ApS serves as the administration company. 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 entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

10 Assets charged and collateral

The company has provided a surety for affiliated companies to guarantee bank debt. The debt to the bank 31 december 2022 is DKK 24.8 million.

The company has securities in movable property relating to debt to banks with a principal amount of DKK 4,500,000.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these 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.

Income statement

Gross profit or loss

Gross profit or loss comprises and consumables and external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Own work capitalised

Own work capitalised comprises staff costs and other costs incurred in the financial year and recognised in cost for proprietary intangible assets and property, plant and equipment.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

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 salaries and wages, 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, and gains and losses from the sale of intangible assets and property, plant and equipment.

Other financial income

Other financial income comprises dividends etc. received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and 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 or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and 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 Entity is jointly taxed with all 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 calculated as the difference between cost of 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 lives are reassessed annually. The amortisation periods used are 10 years.

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

Intellectual property rights etc.

Intellectual property rights etc. comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

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.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

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

Property, plant and equipment

Plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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.

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:

	Useful life
Other fixtures and fittings, tools and equipment	5-10 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.

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.

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. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary

differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

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.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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

Tax receivable or payable

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