



Trendhim Group ApS

Egeskovej 12
8700 Horsens
CVR No. 41481668

Annual report 2023

The Annual General Meeting adopted the annual report on 25.03.2024

Sebastian Gyhrs Petersen
Chairman of the General Meeting

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Entity details

Entity

Trendhim Group ApS
Egeskovvej 12
8700 Horsens

Business Registration No.: 41481668
Registered office: Horsens
Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Michael Ejby Bjørnvig, Chairman
Brian Andersen
Mikkel Falkenberg Kjær Andersen
Johanna Svensson
Fanny Leksell
Gerth Roger Arne Kylberg
Sebastian Gyhrs Petersen

Executive Board

Sebastian Gyhrs Petersen
Johanna Svensson
Fanny Leksell

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Trendhim Group 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.

Horsens, 25.03.2024

Executive Board

Sebastian Gyhrs Petersen

Johanna Svensson

Fanny Leksell

Board of Directors

Michael Ejby Bjørnvig
Chairman

Brian Andersen

Mikkel Falkenberg Kjær Andersen

Johanna Svensson

Fanny Leksell

Gerth Roger Arne Kylberg

Sebastian Gyhrs Petersen

Independent auditor's report

To the shareholders of Trendhim Group ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of Trendhim Group 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.

Aarhus, 25.03.2024

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Mads Fauerskov

State Authorised Public Accountant
Identification No (MNE) mne35428

Kasper Vildrich Jessen

State Authorised Public Accountant
Identification No (MNE) mne42784

Management commentary

Financial highlights

	2023 DKK'000	2022 DKK'000	2021 DKK'000	2020 DKK'000
Key figures				
Gross profit/loss	72,905	87,935	84,877	32,534
Operating profit/loss	(4,895)	6,883	8,465	7,605
Net financials	(10,705)	(11,818)	(11,848)	(5,068)
Profit/loss for the year	(19,397)	(11,011)	(9,787)	(1,720)
Balance sheet total	333,674	350,641	374,781	393,548
Investments in property, plant and equipment	3,199	956	8,013	3,126
Equity	58,869	79,381	89,298	98,735
Cash flows from operating activities	33,896	21,356	31,161	31,461
Cash flows from investing activities	(6,904)	(4,138)	(8,599)	(335,969)
Cash flows from financing activities	(8,101)	(16,406)	(28,690)	341,836
Ratios				
Equity ratio (%)	17.64	22.64	23.83	25.09

The financial highlights for 2020 only comprise 5 months and are therefore not comparable with the subsequent years.

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

Equity ratio (%):

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

Balance sheet total

Primary activities

The group's main activity is the sale of accessories for men, directly to the consumer. The group designs and manufactures own goods under own brands. Trendhim operates from Horsens, Denmark, and sells to 26 countries both inside and outside Europe via its own platform.

Development in activities and finances

In 2023, the Group saw a 17.1% decrease in gross profit, which management finds satisfactory given the conditions in the market. The result is negatively affected by amortization of goodwill which amounts to 32,187,127 DKK in the year. The result before amortisation of goodwill was 12,790,530 DKK, representing continued stable profitability for the group.

Culture and ESG

At Trendhim, we believe that a strong culture and a focus on ESG principles are crucial to the long-term success of the company. We are committed to investing in our people and fostering a positive and inclusive work environment. We have also continued our efforts to improve our environmental impact through working with initiatives together with our suppliers and partners.

Investments

In 2023, management continued to invest in IT infrastructure and marketing initiatives. We believe that these investments will help us to further strengthen our market position in the coming years.

Profit/loss for the year in relation to expected developments

The financial result for the year is in line with management's expectations. We remain committed to investing in the group to prepare for future growth and maintain our position as a leading destination for men's accessories.

Uncertainty relating to recognition and measurement

Management sees no significant uncertainty regarding calculation and measurement of the results presented in the annual report.

The fluctuation of currencies (FX) has not had a significant impact on the group during 2023. Primarily because the company has cashflows in many different currencies which somewhat balance out fluctuations.

Outlook

Despite anticipating a continued though economic setting during the coming year, we are optimistic about the future growth of Trendhim and remain committed to investing in our organisation and infrastructure to support this growth. While the situation in Ukraine is not expected to have significant impact on the company in 2024, we are closely monitoring the situation with concern. Covid-19 no longer has any impact on the company but we continue to follow all relevant guidelines to protect our employees and customers. Management expects growth in net revenue of 0-5% in 2024 and a financial result (EBITDA) between 25-35 mio DKK.

Knowledge resources

At Trendhim, we believe that our people are our most valuable resource. We are committed to investing in their development and providing a positive and inclusive work environment.

Environmental performance

We believe that it is our responsibility to minimize our environmental impact and promote sustainable practices. We are working with our suppliers and partners on relevant ESG projects around production, packaging and logistics. We also have policies in place to ensure compliance with relevant regulations and to encourage

responsible behaviour from our employees and partners.

We believe our primary responsibility lies in working with sustainable development goal 8: Decent work and economic growth. Sustainable development goal 12: responsible consumption and production. And sustainable development goal 13: Climate action.

Our goals for 2024:

- To optimise our production processes and increase the amount of packaging that comes from recycled materials.
- To reduce or completely remove the use of plastic in outbound packaging to customers.
- To reduce the volume of our packages ensuring we use less packaging material and filling on average per order.
- Work on optimising our logistics to increase the use of container shipping transportation to reduce CO2 footprint.
- To reduce the climate impact of our facility.
- Ensure we support local sustainable projects helping socially marginalised people back into work.
- Ensure a safe work environment and sustainable workplace.

Research and development activities

Trendhim continue to activate relevant development costs associated with the ongoing building of our IT infrastructure, reflecting the company's commitment to continuously improving its online platform and user experience.

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
Gross profit/loss		72,904,705	87,935,232
Staff costs	1	(43,250,126)	(46,946,293)
Depreciation, amortisation and impairment losses	2	(34,549,366)	(34,106,329)
Operating profit/loss		(4,894,787)	6,882,610
Other financial income		504,336	0
Other financial expenses	3	(11,209,799)	(11,818,264)
Profit/loss before tax		(15,600,250)	(4,935,654)
Tax on profit/loss for the year	4	(3,796,437)	(6,075,522)
Profit/loss for the year	5	(19,396,687)	(11,011,176)

Consolidated balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Completed development projects	7	6,266,503	3,297,962
Goodwill		211,898,589	244,085,717
Intangible assets	6	218,165,092	247,383,679
Other fixtures and fittings, tools and equipment		2,302,693	3,070,701
Leasehold improvements		3,625,085	4,057,871
Property, plant and equipment in progress		2,774,416	0
Property, plant and equipment	8	8,702,194	7,128,572
Deposits		586,250	586,250
Financial assets	9	586,250	586,250
Fixed assets		227,453,536	255,098,501
Manufactured goods and goods for resale		37,410,575	42,683,788
Prepayments for goods		2,605,237	1,872,171
Inventories		40,015,812	44,555,959
Other receivables		6,887,151	10,085,401
Tax receivable		914,560	914,560
Prepayments	10	2,873,278	3,346,983
Receivables		10,674,989	14,346,944
Cash		55,530,091	36,639,820
Current assets		106,220,892	95,542,723
Assets		333,674,428	350,641,224

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital		1,032,904	1,038,254
Retained earnings		57,836,191	78,342,737
Equity		58,869,095	79,380,991
Deferred tax	11	1,558,000	1,199,000
Other provisions	12	3,831,266	3,174,254
Provisions		5,389,266	4,373,254
Payables to group enterprises		128,352,895	122,240,851
Payables to owners and management		98,737,711	100,765,688
Other payables		1,236,540	1,157,134
Non-current liabilities other than provisions	13	228,327,146	224,163,673
Prepayments received from customers		881,251	851,574
Trade payables		20,261,250	20,607,417
Tax payable		550,282	2,876,093
Other payables	14	19,396,138	18,388,222
Current liabilities other than provisions		41,088,921	42,723,306
Liabilities other than provisions		269,416,067	266,886,979
Equity and liabilities		333,674,428	350,641,224
Unrecognised rental and lease commitments	16		
Assets charged and collateral	17		
Transactions with related parties	18		
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Consolidated statement of changes in equity for 2023

	Contributed capital DKK	Share premium DKK	Retained earnings DKK	Total DKK
Equity beginning of year	1,038,254	0	78,342,737	79,380,991
Increase of capital	200	45,452	0	45,652
Decrease of capital	(5,550)	(1,141,479)	0	(1,147,029)
Transferred from share premium	0	1,096,027	(1,096,027)	0
Exchange rate adjustments	0	0	(13,832)	(13,832)
Profit/loss for the year	0	0	(19,396,687)	(19,396,687)
Equity end of year	1,032,904	0	57,836,191	58,869,095

Consolidated cash flow statement for 2023

	Notes	2023 DKK	2022 DKK
Operating profit/loss		(4,894,787)	6,882,610
Amortisation, depreciation and impairment losses		34,549,366	34,106,329
Other provisions		657,012	(66,021)
Working capital changes	15	8,969,102	(11,396,605)
Cash flow from ordinary operating activities		39,280,693	29,526,313
Financial income received		504,336	0
Financial expenses paid		(125,732)	(307,915)
Taxes refunded/(paid)		(5,763,248)	(7,861,904)
Cash flows from operating activities		33,896,049	21,356,494
Acquisition etc. of intangible assets		(3,705,535)	(3,664,402)
Acquisition etc. of property, plant and equipment		(3,198,866)	(955,723)
Deposit changes		0	481,687
Cash flows from investing activities		(6,904,401)	(4,138,438)
Free cash flows generated from operations and investments before financing		26,991,648	17,218,056
Repayment of debt to participating interests		(7,000,000)	(17,500,000)
Cash capital increase		45,652	1,475,473
Cash capital decrease		(1,147,029)	(381,086)
Cash flows from financing activities		(8,101,377)	(16,405,613)
Increase/decrease in cash and cash equivalents		18,890,271	812,443
Cash and cash equivalents beginning of year		36,639,820	35,827,377
Cash and cash equivalents end of year		55,530,091	36,639,820
Cash and cash equivalents at year-end are composed of:			
Cash		55,530,091	36,639,820
Cash and cash equivalents end of year		55,530,091	36,639,820

Notes to consolidated financial statements

1 Staff costs

	2023	2022
	DKK	DKK
Wages and salaries	39,617,192	43,129,261
Pension costs	3,080,291	3,094,034
Other social security costs	552,643	722,998
	43,250,126	46,946,293
Average number of full-time employees	80	93
	Remuneration of management 2023 DKK	Remuneration of management 2022 DKK
Total amount for management categories	1,787,384	1,639,464
	1,787,384	1,639,464

Special incentive programmes

For the purpose of offering incentive pay in the form of share options, some key employees is authorised in FY2028 to increase the Group's share capital with up to nominally DKK 8,943 shares in total by cash payment of DKK 180 per share corresponding to a subscription rate of 18,000 without pre-emption right for the Group's shareholders.

The vesting of the share options are conditional upon the share option holders employment in FY28.

2 Depreciation, amortisation and impairment losses

	2023	2022
	DKK	DKK
Amortisation of intangible assets	32,924,122	32,553,567
Depreciation on property, plant and equipment	1,625,244	1,552,762
	34,549,366	34,106,329

3 Other financial expenses

	2023	2022
	DKK	DKK
Financial expenses from group enterprises	6,112,152	5,820,993
Other interest expenses	5,097,647	5,997,271
	11,209,799	11,818,264

4 Tax on profit/loss for the year

	2023	2022
	DKK	DKK
Current tax	3,437,437	4,974,093
Change in deferred tax	359,000	2,016,000
Adjustment concerning previous years	0	(914,571)
	3,796,437	6,075,522

5 Proposed distribution of profit/loss

	2023	2022
	DKK	DKK
Retained earnings	(19,396,687)	(11,011,176)
	(19,396,687)	(11,011,176)

6 Intangible assets

	Completed development projects	Goodwill
	DKK	DKK
Cost beginning of year	3,664,402	321,871,274
Additions	3,705,535	0
Cost end of year	7,369,937	321,871,274
Amortisation and impairment losses beginning of year	(366,440)	(77,785,557)
Amortisation for the year	(736,994)	(32,187,128)
Amortisation and impairment losses end of year	(1,103,434)	(109,972,685)
Carrying amount end of year	6,266,503	211,898,589

7 Development projects

The completed development projects consist of development on domains. Each project is amortised over 10 years beginning on the date of the project completion. During the financial year 2023 and following in 2024, the Company has realised sales based on these projects.

Management has positive expectations that the completed development projects will drive a positive change and increased sales.

On this background, Management does not find any indications that the carrying amount needs adjustment.

8 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK	Property, plant and equipment in progress DKK
Cost beginning of year	7,204,789	4,890,067	0
Additions	125,512	298,938	2,774,416
Cost end of year	7,330,301	5,189,005	2,774,416
Depreciation and impairment losses beginning of year	(4,134,088)	(832,196)	0
Depreciation for the year	(893,520)	(731,724)	0
Depreciation and impairment losses end of year	(5,027,608)	(1,563,920)	0
Carrying amount end of year	2,302,693	3,625,085	2,774,416

9 Financial assets

	Deposits DKK
Cost beginning of year	586,250
Cost end of year	586,250
Carrying amount end of year	586,250

10 Prepayments

Prepayments cover substantial prepaid insurance, licenses, etc.

11 Deferred tax

	2023 DKK	2022 DKK
Intangible assets	1,379,000	726,000
Property, plant and equipment	391,000	436,000
Receivables	632,000	735,000
Provisions	(844,000)	(698,000)
Deferred tax	1,558,000	1,199,000

Changes during the year	2023 DKK	2022 DKK
Beginning of year	1,199,000	(817,000)
Recognised in the income statement	359,000	2,016,000
End of year	1,558,000	1,199,000

12 Other provisions

Other provisions consist of provisions for the return of goods at the beginning of 2024 with a value of DKK 3,831k (DKK 3,174k last year). The provision is based on realized returns in the subsequent period and compared with the company's realized returns for previous periods.

13 Non-current liabilities other than provisions

	Due after more than 12 months 2023 DKK	Outstanding after 5 years 2023 DKK
Payables to group enterprises	128,352,895	128,352,895
Payables to owners and management	98,737,711	98,737,711
Other payables	1,236,540	1,157,134
	228,327,146	228,247,740

14 Other payables

	2023 DKK	2022 DKK
VAT and duties	16,512,362	16,478,990
Wages and salaries, personal income taxes, social security costs, etc. payable	1,337,651	368,593
Holiday pay obligation	1,524,935	1,540,639
Other costs payable	21,190	0
	19,396,138	18,388,222

15 Changes in working capital

	2023 DKK	2022 DKK
Increase/decrease in inventories	4,540,146	(2,904,134)
Increase/decrease in receivables	3,658,122	(2,013,863)
Increase/decrease in trade payables etc.	770,834	(6,478,608)
	8,969,102	(11,396,605)

16 Unrecognised rental and lease commitments

	2023 DKK	2022 DKK
Total liabilities under rental or lease agreements until maturity	11,815,986	13,483,750

17 Assets charged and collateral

As security for all balances with banks, the group has pledged a corporate mortgage of DKK 4,500k in other plant, equipment and fixtures and fittings as well as inventories and receivables from sales and services.

The carrying amount per 31.12.2023 of pledged assets amounts to DKK 48,718k.

There is a bank debt of DKK 0k per 31.12.2023.

18 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.

19 Group relations

The consolidated financial statements of Priveq Investment v(A) AB may be ordered at this address:
Priveq Investment v(A) AB Humlegårdsgatan 20, 10 246 Stockholm, Sverige

20 Subsidiaries

	Registered in	Corporate form	Ownership %
Trendhim ApS	Horsens	ApS	100.00
Trendhim Inc.	US	Inc	100.00

Parent income statement for 2023

	Notes	2023 DKK	2022 DKK
Gross profit/loss		2,018,333	1,971,970
Staff costs	1	(2,833,233)	(2,763,638)
Operating profit/loss		(814,900)	(791,668)
Income from investments in group enterprises		(10,068,769)	(1,377,363)
Other financial income		32,261	0
Other financial expenses	2	(11,084,067)	(11,532,209)
Profit/loss before tax		(21,935,475)	(13,701,240)
Tax on profit/loss for the year	3	2,538,788	2,690,064
Profit/loss for the year	4	(19,396,687)	(11,011,176)

Parent balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Investments in group enterprises		278,547,283	294,629,884
Financial assets	5	278,547,283	294,629,884
Fixed assets		278,547,283	294,629,884
Receivables from group enterprises		4,788,052	2,696,738
Joint taxation contribution receivable		2,849,325	7,664,165
Receivables		7,637,377	10,360,903
Cash		940,176	664,451
Current assets		8,577,553	11,025,354
Assets		287,124,836	305,655,238

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital		1,032,904	1,038,254
Retained earnings		57,836,191	78,342,737
Equity		58,869,095	79,380,991
Payables to group enterprises		128,352,895	122,240,851
Payables to owners and management		98,737,711	100,765,688
Non-current liabilities other than provisions	6	227,090,606	223,006,539
Trade payables		364,704	82,977
Tax payable		310,547	2,876,093
Other payables		489,884	308,638
Current liabilities other than provisions		1,165,135	3,267,708
Liabilities other than provisions		228,255,741	226,274,247
Equity and liabilities		287,124,836	305,655,238
Contingent liabilities	7		
Related parties with controlling interest	8		
Transactions with related parties	9		

Parent statement of changes in equity for 2023

	Contributed capital DKK	Share premium DKK	Retained earnings DKK	Total DKK
Equity beginning of year	1,038,254	0	78,342,737	79,380,991
Increase of capital	200	45,452	0	45,652
Decrease of capital	(5,550)	(1,141,479)	0	(1,147,029)
Transferred from share premium	0	1,096,027	(1,096,027)	0
Exchange rate adjustments	0	0	(13,832)	(13,832)
Profit/loss for the year	0	0	(19,396,687)	(19,396,687)
Equity end of year	1,032,904	0	57,836,191	58,869,095

Notes to parent financial statements

1 Staff costs

	2023 DKK	2022 DKK
Wages and salaries	2,650,828	2,587,715
Pension costs	170,400	163,520
Other social security costs	12,005	12,403
	2,833,233	2,763,638
Average number of full-time employees	2	2

	Remuneration of Manage- ment 2023 DKK	Remuneration of Manage- ment 2022 DKK
Total amount for management categories	1,787,384	1,639,437
	1,787,384	1,639,437

2 Other financial expenses

	2023 DKK	2022 DKK
Financial expenses from group enterprises	6,112,152	5,820,993
Other interest expenses	4,971,915	5,711,216
	11,084,067	11,532,209

3 Tax on profit/loss for the year

	2023 DKK	2022 DKK
Refund in joint taxation arrangement	(2,538,788)	(2,690,064)
	(2,538,788)	(2,690,064)

4 Proposed distribution of profit and loss

	2023 DKK	2022 DKK
Retained earnings	(19,396,687)	(11,011,176)
	(19,396,687)	(11,011,176)

5 Financial assets

	Investments in group enterprises DKK
Cost beginning of year	334,817,440
Cost end of year	334,817,440
Impairment losses beginning of year	(40,187,556)
Exchange rate adjustments	(13,832)
Amortisation of goodwill	(32,187,128)
Share of profit/loss for the year	22,118,359
Dividend	(6,000,000)
Impairment losses end of year	(56,270,157)
Carrying amount end of year	278,547,283

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

At 31.12.2023, the value of recognized goodwill amounts to DKK 211.898.589

6 Non-current liabilities other than provisions

	Due after more than 12 months 2023 DKK	Outstanding after 5 years 2023 DKK
Payables to group enterprises	128,352,895	128,352,895
Payables to owners and management	98,737,711	98,737,711
	227,090,606	227,090,606

7 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 entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

8 Related parties with controlling interest

Priveq Investment v(A) AB Humlegårdsgatan 20, 10 246 Stockholm, Sverige

9 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, except few reclassifications.

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.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, own work capitalised, other operating income, cost of sales and other 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.

Revenue also includes provisions for returned goods, which are calculated on the basis of historical data.

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.

Other operating income

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

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for normal inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises 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, and gains and losses from the sale of intangible assets and property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises interest income.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies, amortisation of financial liabilities 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 the groups goodwill, it has not been possible to estimate useful life reliably, for which reason such useful life has been set at 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 with related intellectual property rights.

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.

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.

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

Property, plant and equipment

Other fixtures and fittings, tools and equipment, leasehold improvements and property plant and equipment in process are measured at cost less accumulated depreciation and impairment losses.

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	4-10 years
Leasehold improvements	5 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. Assets are depreciated from the point in time the assets are ready for usage.

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.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to the reserve for net revaluation according to the equity method in equity.

Goodwill is the difference between cost of investments and fair value of the pro rata share 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 one amount of goodwill, it has not been possible to estimate useful life reliably, for which reason such useful life has been set at 10 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 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. 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.

Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

Other provisions

Other provisions comprise anticipated costs of returns.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

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 and payment of dividend. Cash and cash equivalents comprise cash.