



Trendhim Group ApS

Egeskovej 12
8700 Horsens
CVR No. 41481668

Annual report 2022

The Annual General Meeting adopted the
annual report on 31.03.2023

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: 01.01.2022 - 31.12.2022

Board of Directors

Michael Ejby Bjørnvig

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 01.01.2022 - 31.12.2022.

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 31.12.2022 and of the results of their operations and the consolidated cash flows 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.

Horsens, 31.03.2023

Executive Board

Sebastian Gyhrs Petersen

Johanna Svensson

Fanny Leksell

Board of Directors

Michael Ejby Bjørnvig

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 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, 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 31.12.2022 and of the results of their operations and the consolidated cash flows 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 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 under the Danish Financial Statements Act.

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 of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Aarhus, 31.03.2023

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Mads Fauerskov

State Authorised Public Accountant
Identification No (MNE) mne35428

Kasper Vestergaard Jessen

State Authorised Public Accountant
Identification No (MNE) mne42784

Management commentary

Financial highlights

	2022 DKK'000	2021 DKK'000	2020 DKK'000
Key figures			
Gross profit/loss	89,433	84,877	32,534
Operating profit/loss	6,883	8,465	7,605
Net financials	(11,818)	(11,848)	(5,068)
Profit/loss for the year	(11,011)	(9,787)	(1,720)
Balance sheet total	350,641	374,781	393,548
Investments in property, plant and equipment	956	8,013	3,126
Equity	79,381	89,298	98,735
Cash flows from operating activities	21,356	31,161	31,461
Cash flows from investing activities	(4,138)	(8,599)	(335,969)
Cash flows from financing activities	(16,406)	(28,690)	341,836
Ratios			
Return on equity (%)	(13.05)	(10.41)	(3.48)
Equity ratio (%)	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.

Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

Average equity

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.

Development in activities and finances

In 2022, the group saw a 5% increase in gross profit, which management finds satisfactory. The financial result for the year was -11,011,176 DKK. 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 21,175,951 DKK, representing continued growth and stability for the group.

Culture and ESG

At Trendhim group, we believe that a strong culture and a focus on ESG principles are crucial to the long-term success of the group. 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 initiatives such as recycling programs and working with suppliers on ESG policies and audits.

The Ukrainian War

We are deeply concerned about the ongoing conflict in Ukraine and its impact on the region and the world. While we do not have direct operations in Ukraine, we are closely monitoring the situation and working to ensure that our supply chain is not impacted.

Investments

In 2022, management continued to invest in the organization, learning, and IT infrastructure to support future growth. We believe that these investments will help us to further strengthen our market position and brand awareness in the coming years.

Profit/loss for the year in relation to expected developments

The 5% increase in gross profit and strong financial result for the year are in line with management's expectations. We remain committed to investing in the company 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 2022. Primarily because the company has cashflows in many different currencies which somewhat balance out fluctuations.

Outlook

We are optimistic about the future growth of Trendhim group and remain committed to investing in our organization and infrastructure to support this growth. While the COVID-19 pandemic is no longer expected to have as significant an impact on the industry in 2023, we are closely monitoring the situation and following all relevant guidelines to protect our employees and customers. Management expects growth in net revenue of 0-5% in 2023 and a financial result (EBITDA) between 25-40 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 to implement ESG policies and audits, and we have implemented recycling programs for certain materials. We also have policies in place to ensure compliance with relevant regulations and to encourage responsible behaviour from our employees and partners.

Research and development activities

Trendhim has begun activating development costs associated with the ongoing optimization and development of the web shop, 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 2022

	Notes	2022 DKK	2021 DKK
Gross profit/loss		89,432,849	84,876,543
Staff costs	1	(48,443,910)	(41,697,319)
Depreciation, amortisation and impairment losses	2	(34,106,329)	(34,714,256)
Operating profit/loss		6,882,610	8,464,968
Other financial income		0	2,468
Other financial expenses	3	(11,818,264)	(11,850,287)
Profit/loss before tax		(4,935,654)	(3,382,851)
Tax on profit/loss for the year	4	(6,075,522)	(6,403,901)
Profit/loss for the year	5	(11,011,176)	(9,786,752)

Consolidated balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Completed development projects	7	3,297,962	0
Goodwill		244,085,717	276,272,844
Intangible assets	6	247,383,679	276,272,844
Other fixtures and fittings, tools and equipment		3,070,701	3,442,453
Leasehold improvements		4,057,871	4,283,158
Property, plant and equipment	8	7,128,572	7,725,611
Deposits		586,250	1,067,937
Financial assets	9	586,250	1,067,937
Fixed assets		255,098,501	285,066,392
Manufactured goods and goods for resale		42,683,788	38,682,276
Prepayments for goods		1,872,171	2,969,549
Inventories		44,555,959	41,651,825
Trade receivables		0	156,249
Deferred tax	10	0	817,000
Other receivables		10,085,401	9,183,726
Tax receivable		914,560	0
Prepayments	11	3,346,983	2,078,546
Receivables		14,346,944	12,235,521
Cash		36,639,820	35,827,377
Current assets		95,542,723	89,714,723
Assets		350,641,224	374,781,115

Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital		1,038,254	1,033,890
Retained earnings		78,342,737	88,263,890
Equity		79,380,991	89,297,780
Deferred tax	10	1,199,000	0
Other provisions	12	3,174,254	3,240,277
Provisions		4,373,254	3,240,277
Payables to owners and management		223,006,539	228,996,192
Other payables		1,157,134	1,157,134
Non-current liabilities other than provisions	13	224,163,673	230,153,326
Prepayments received from customers		851,574	1,466,452
Trade payables		20,607,417	24,963,093
Tax payable		2,876,093	5,763,911
Other payables	14	18,388,222	19,896,276
Current liabilities other than provisions		42,723,306	52,089,732
Liabilities other than provisions		266,886,979	282,243,058
Equity and liabilities		350,641,224	374,781,115
Unrecognised rental and lease commitments	16		
Assets charged and collateral	17		
Transactions with related parties	18		
Group relations	19		
Subsidiaries	20		

Consolidated statement of changes in equity for 2022

	Contributed capital DKK	Share premium DKK	Retained earnings DKK	Total DKK
Equity beginning of year	1,033,890	0	88,263,890	89,297,780
Increase of capital	6,464	1,469,009	0	1,475,473
Decrease of capital	(2,100)	(378,986)	0	(381,086)
Transferred from share premium	0	(1,090,023)	1,090,023	0
Profit/loss for the year	0	0	(11,011,176)	(11,011,176)
Equity end of year	1,038,254	0	78,342,737	79,380,991

Consolidated cash flow statement for 2022

	Notes	2022 DKK	2021 DKK
Operating profit/loss		6,882,610	8,464,968
Amortisation, depreciation and impairment losses		34,106,329	34,714,256
Other provisions		(66,021)	12,737
Working capital changes	15	(11,396,605)	(3,610,169)
Cash flow from ordinary operating activities		29,526,313	39,581,792
Financial expenses paid		(307,915)	(291,871)
Taxes refunded/(paid)		(7,861,904)	(8,129,264)
Cash flows from operating activities		21,356,494	31,160,657
Acquisition etc. of intangible assets		(3,664,402)	0
Acquisition etc. of property, plant and equipment		(955,723)	(8,012,794)
Deposit		481,687	(586,250)
Cash flows from investing activities		(4,138,438)	(8,599,044)
Free cash flows generated from operations and investments before financing		17,218,056	22,561,613
Repayment of debt to participating interests		(17,500,000)	(29,000,000)
Cash capital increase		1,475,473	350,025
Cash capital decrease		(381,086)	0
Short-term bank loans		0	(39,867)
Cash flows from financing activities		(16,405,613)	(28,689,842)
Increase/decrease in cash and cash equivalents		812,443	(6,128,229)
Cash and cash equivalents beginning of year		35,827,377	41,955,606
Cash and cash equivalents end of year		36,639,820	35,827,377
Cash and cash equivalents at year-end are composed of:			
Cash		36,639,820	35,827,377
Cash and cash equivalents end of year		36,639,820	35,827,377

Notes to consolidated financial statements

1 Staff costs

	2022	2021
	DKK	DKK
Wages and salaries	43,129,261	37,847,029
Pension costs	3,094,034	2,200,199
Other social security costs	722,998	195,687
Other staff costs	1,497,617	1,454,404
	48,443,910	41,697,319
Average number of full-time employees	93	86

	Remuneration of manage- ment 2022 DKK	Remuneration of manage- ment 2021 DKK
Total amount for management categories	1,639,464	1,591,400
	1,639,464	1,591,400

2 Depreciation, amortisation and impairment losses

	2022	2021
	DKK	DKK
Amortisation of intangible assets	32,553,567	32,187,127
Depreciation on property, plant and equipment	1,552,762	1,841,928
Impairment losses on property, plant and equipment	0	685,201
	34,106,329	34,714,256

3 Other financial expenses

	2022	2021
	DKK	DKK
Other interest expenses	11,818,264	11,835,799
Exchange rate adjustments	0	14,488
	11,818,264	11,850,287

4 Tax on profit/loss for the year

	2022	2021
	DKK	DKK
Current tax	4,974,093	7,295,912
Change in deferred tax	2,016,000	(892,000)
Adjustment concerning previous years	(914,571)	(11)
	6,075,522	6,403,901

5 Proposed distribution of profit/loss

	2022	2021
	DKK	DKK
Retained earnings	(11,011,176)	(9,786,752)
	(11,011,176)	(9,786,752)

6 Intangible assets

	Completed development projects	Goodwill
	DKK	DKK
Cost beginning of year	0	321,871,274
Additions	3,664,402	0
Cost end of year	3,664,402	321,871,274
Amortisation and impairment losses beginning of year	0	(45,598,430)
Amortisation for the year	(366,440)	(32,187,127)
Amortisation and impairment losses end of year	(366,440)	(77,785,557)
Carrying amount end of year	3,297,962	244,085,717

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, 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
Cost beginning of year	6,702,140	4,436,993
Additions	502,649	453,074
Cost end of year	7,204,789	4,890,067
Depreciation and impairment losses beginning of year	(3,259,687)	(153,835)
Depreciation for the year	(874,401)	(678,361)
Depreciation and impairment losses end of year	(4,134,088)	(832,196)
Carrying amount end of year	3,070,701	4,057,871

9 Financial assets

	Deposits DKK
Cost beginning of year	1,067,937
Disposals	(481,687)
Cost end of year	586,250
Carrying amount end of year	586,250

10 Deferred tax

	2022 DKK	2021 DKK
Intangible assets	(726,000)	0
Property, plant and equipment	(436,000)	(353,000)
Receivables	698,000	457,000
Provisions	(735,000)	713,000
Deferred tax	(1,199,000)	817,000

	2022 DKK	2021 DKK
Changes during the year		
Beginning of year	817,000	(75,000)
Recognised in the income statement	(2,016,000)	892,000
End of year	(1,199,000)	817,000

	2022 DKK	2021 DKK
Deferred tax has been recognised in the balance sheet as follows		
Deferred tax assets	0	817,000
Deferred tax liabilities	(1,199,000)	0
	(1,199,000)	817,000

11 Prepayments

Prepayments cover substantial prepaid insurance, licenses, etc.

12 Other provisions

Other provisions consist of provisions for the return of goods at the beginning of 2023 with a value of DKK 3.240 K. (DKK 3.228 K. 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 2022 DKK	Outstanding after 5 years 2022 DKK
Payables to owners and management	223,006,539	223,006,539
Other payables	1,157,134	1,157,134
	224,163,673	224,163,673

14 Other payables

	2022 DKK	2021 DKK
VAT and duties	16,478,990	17,111,965
Wages and salaries, personal income taxes, social security costs, etc. payable	368,593	1,358,014
Holiday pay obligation	1,540,639	1,426,297
	18,388,222	19,896,276

15 Changes in working capital

	2022 DKK	2021 DKK
Increase/decrease in inventories	(2,904,134)	(11,515,797)
Increase/decrease in receivables	(2,013,863)	(1,143,587)
Increase/decrease in trade payables etc.	(6,478,608)	9,049,215
	(11,396,605)	(3,610,169)

16 Unrecognised rental and lease commitments

	2022 DKK	2021 DKK
Total liabilities under rental or lease agreements until maturity	13,483,750	17,627,998

17 Assets charged and collateral

As security for all balances with banks, the company has pledged a corporate mortgage of DKK 4.500 K. in other plant, equipment and fixtures and fittings as well as inventories and receivables from sales and services.

The carrying amount per 31.12.2022 of pledged assets amounts to DKK 49,812 K.

There is a bank debt of DKK 0 K. pr. 31.12.2022.

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 2022

	Notes	2022 DKK	2021 DKK
Gross profit/loss		1,971,970	2,018,347
Staff costs	1	(2,763,638)	(2,399,613)
Operating profit/loss		(791,668)	(381,266)
Income from investments in group enterprises		(1,377,363)	(369,779)
Other financial expenses	2	(11,532,209)	(11,620,941)
Profit/loss before tax		(13,701,240)	(12,371,986)
Tax on profit/loss for the year	3	2,690,064	2,585,234
Profit/loss for the year	4	(11,011,176)	(9,786,752)

Parent balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Investments in group enterprises		294,629,884	311,936,907
Financial assets	5	294,629,884	311,936,907
Fixed assets		294,629,884	311,936,907
Receivables from group enterprises		2,696,738	0
Joint taxation contribution receivable		7,664,165	8,349,134
Receivables		10,360,903	8,349,134
Cash		664,451	5,243,767
Current assets		11,025,354	13,592,901
Assets		305,655,238	325,529,808

Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital		1,038,254	1,033,890
Retained earnings		78,342,737	88,263,890
Equity		79,380,991	89,297,780
Payables to owners and management		223,006,539	228,996,192
Non-current liabilities other than provisions	6	223,006,539	228,996,192
Trade payables		82,977	71,487
Payables to group enterprises		0	897,017
Tax payable		2,876,093	5,763,911
Other payables		308,638	503,421
Current liabilities other than provisions		3,267,708	7,235,836
Liabilities other than provisions		226,274,247	236,232,028
Equity and liabilities		305,655,238	325,529,808
Contingent liabilities	7		
Related parties with controlling interest	8		
Transactions with related parties	9		

Parent statement of changes in equity for 2022

	Contributed capital DKK	Share premium DKK	Retained earnings DKK	Total DKK
Equity beginning of year	1,033,890	0	88,263,890	89,297,780
Increase of capital	6,464	1,469,009	0	1,475,473
Decrease of capital	(2,100)	(378,986)	0	(381,086)
Transferred from share premium	0	(1,090,023)	1,090,023	0
Profit/loss for the year	0	0	(11,011,176)	(11,011,176)
Equity end of year	1,038,254	0	78,342,737	79,380,991

Notes to parent financial statements

1 Staff costs

	2022 DKK	2021 DKK
Wages and salaries	2,587,715	2,259,011
Pension costs	163,520	126,630
Other social security costs	12,403	13,972
	2,763,638	2,399,613
Average number of full-time employees	2	2

	Remuneration of Manage- ment 2022 DKK	Remuneration of Manage- ment 2021 DKK
Total amount for management categories	1,639,437	1,591,400
	1,639,437	1,591,400

2 Other financial expenses

	2022 DKK	2021 DKK
Other interest expenses	11,532,209	11,606,451
Exchange rate adjustments	0	14,490
	11,532,209	11,620,941

3 Tax on profit/loss for the year

	2022 DKK	2021 DKK
Adjustment concerning previous years	0	(11)
Refund in joint taxation arrangement	(2,690,064)	(2,585,223)
	(2,690,064)	(2,585,234)

4 Proposed distribution of profit and loss

	2022 DKK	2021 DKK
Retained earnings	(11,011,176)	(9,786,752)
	(11,011,176)	(9,786,752)

5 Financial assets

	Investments in group enterprises DKK
Cost beginning of year	334,747,100
Additions	70,340
Cost end of year	334,817,440
Impairment losses beginning of year	(22,810,193)
Amortisation of goodwill	(32,187,127)
Share of profit/loss for the year	30,809,764
Dividend	(16,000,000)
Impairment losses end of year	(40,187,556)
Carrying amount end of year	294,629,884

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

At 31.12.2022, the value of recognized goodwill amounts to DKK 244.085.717.

6 Non-current liabilities other than provisions

	Due after more than 12 months 2022 DKK	Outstanding after 5 years 2022 DKK
Payables to owners and management	223,006,539	223,006,539
	223,006,539	223,006,539

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.

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, changes in inventories of finished goods, own work capitalised, other operating income and 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.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary 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 payables and transactions in foreign currencies 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 and leasehold improvements 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.

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.

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.

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.

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.