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# *Nordic Strong ApS*

Amaliegade , 14, 2, DK-1256 København K

## Annual Report for 2023

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CVR No. 41 83 08 75

The Annual Report was  
presented and adopted  
at the Annual General  
Meeting of the  
company  
on 27/6 2024

Niels Henrik Roth  
Chairman of the  
general meeting



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# Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Nordic Strong ApS for the financial year 1 January - 31 December 2023.

The Annual Report is prepared in accordance with the Danish Financial Statements Act. The Company complies with the exemption provisions governing the omission to have its Financial Statements audited.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and of the results of the Company operations for 2023.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

København K, 27 June 2024

## Executive Board

Nicoline Roth

## Board of Directors

Niels Henrik Roth  
Chairman

Karsten Wittthøft Petersen

Nicoline Roth

# Practitioner's Statement on Compilation of Financial Statements

To the Management of Nordic Strong ApS

We have compiled the Financial Statements of Nordic Strong ApS for the financial year 1 January - 31 December 2023 on the basis of the Company's accounting records and other information you have provided.

The Financial Statements comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies.

We performed our work in accordance with ISRS 4410, Engagements to Compile Financial Information.

Based on our professional expertise, we have assisted you with the preparation and presentation of the Financial Statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions of the Danish Act on Approved Auditors and Audit Firms and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), including the principles of integrity, objectivity, professional competence and due care.

The Financial Statements and the accuracy and completeness of the information forming the basis of the compilation of the Financial Statements are your responsibility.

As an engagement to compile financial information is not an assurance engagement, we are under no duty to verify the accuracy or completeness of the information you provided to us to compile the Financial Statements. Accordingly, we express no audit opinion or review opinion as to whether the Financial Statements have been prepared in accordance with the Danish Financial Statements Act.

Hellerup, 27 June 2024

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Morten Jørgensen

State Authorised Public Accountant

mne32806

## Company information

<b>The Company</b>	Nordic Strong ApS Amaliegade , 14, 2 1256 København K  CVR No: 41 83 08 75 Financial period: 1 January - 31 December Incorporated: 4 November 2020 Municipality of reg. office: Copenhagen
<b>Board of Directors</b>	Niels Henrik Roth, chairman Karsten Witthøft Petersen Nicoline Roth
<b>Executive Board</b>	Nicoline Roth
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

# Management's review

## Key activities

The key activity of the company is to operate business with trade and service within training equipment.

## Development in the year

The income statement of the Company for 2023 shows a loss of DKK 4,672,936, and at 31 December 2023 the balance sheet of the Company shows a negative equity of DKK 7,360,212.

## Subsequent events

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

## Income statement 1 January - 31 December

	Note	2023	2022
		DKK	DKK
<b>Gross loss</b>		<b>-818,373</b>	<b>-4,161,201</b>
Staff expenses	2	-3,722,774	-1,926,228
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	3	-856,115	-800,798
<b>Profit/loss before financial income and expenses</b>		<b>-5,397,262</b>	<b>-6,888,227</b>
Financial income		69,690	4,369
Financial expenses	4	-616,750	-257,476
<b>Profit/loss before tax</b>		<b>-5,944,322</b>	<b>-7,141,334</b>
Tax on profit/loss for the year	5	1,271,386	0
<b>Net profit/loss for the year</b>		<b>-4,672,936</b>	<b>-7,141,334</b>
 <b>Distribution of profit</b>			
		2023	2022
		DKK	DKK
<b>Proposed distribution of profit</b>			
Retained earnings		-4,672,936	-7,141,334
		<b>-4,672,936</b>	<b>-7,141,334</b>

## Balance sheet 31 December

### Assets

	Note	2023	2022
		DKK	DKK
Goodwill		1,120,484	1,680,726
<b>Intangible assets</b>	<b>6</b>	<b>1,120,484</b>	<b>1,680,726</b>
Other fixtures and fittings, tools and equipment		31,010	0
Leasehold improvements		2,352,520	2,165,002
<b>Property, plant and equipment</b>	<b>7</b>	<b>2,383,530</b>	<b>2,165,002</b>
Deposits		511,000	511,000
<b>Fixed asset investments</b>		<b>511,000</b>	<b>511,000</b>
<b>Fixed assets</b>		<b>4,015,014</b>	<b>4,356,728</b>
Finished goods and goods for resale		1,852,734	1,921,519
<b>Inventories</b>		<b>1,852,734</b>	<b>1,921,519</b>
Trade receivables		139,310	196,728
Other receivables		172,195	891,100
Corporation tax receivable from group enterprises		1,271,386	0
<b>Receivables</b>		<b>1,582,891</b>	<b>1,087,828</b>
<b>Current asset investments</b>		<b>0</b>	<b>22,503</b>
<b>Cash at bank and in hand</b>		<b>581,142</b>	<b>490,670</b>
<b>Current assets</b>		<b>4,016,767</b>	<b>3,522,520</b>
<b>Assets</b>		<b>8,031,781</b>	<b>7,879,248</b>



# Balance sheet 31 December

## Liabilities and equity

	Note	2023	2022
		DKK	DKK
Share capital		400,000	400,000
Retained earnings		-7,760,212	-3,087,276
<b>Equity</b>		<b>-7,360,212</b>	<b>-2,687,276</b>
Trade payables		431,849	1,182,376
Payables to group enterprises		14,478,739	9,280,283
Payables to owners and Management		6,479	6,672
Other payables		474,926	97,193
<b>Short-term debt</b>		<b>15,391,993</b>	<b>10,566,524</b>
<b>Debt</b>		<b>15,391,993</b>	<b>10,566,524</b>
<b>Liabilities and equity</b>		<b>8,031,781</b>	<b>7,879,248</b>
Going concern	1		
Contingent assets, liabilities and other financial obligations	8		
Accounting Policies	9		

## Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
	DKK	DKK	DKK
Equity at 1 January	400,000	-3,087,276	-2,687,276
Net profit/loss for the year	0	-4,672,936	-4,672,936
<b>Equity at 31 December</b>	<b>400,000</b>	<b>-7,760,212</b>	<b>-7,360,212</b>

# Notes to the Financial Statements

## 1. Going concern

The management works with the company's cash position. The owner has indicated that the debt only redeemed if there is liquidity to that. It is the management's expectation that the assumptions redeemed. The financial statement presents on the assumption of going concern.

## 2. Staff Expenses

	2023	2022
	DKK	DKK
Wages and salaries	3,668,321	1,913,938
Other social security expenses	54,453	12,290
	<u>3,722,774</u>	<u>1,926,228</u>
Average number of employees	<u>7</u>	<u>3</u>

## 3. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment

	2023	2022
	DKK	DKK
Amortisation of intangible assets	560,242	560,242
Depreciation of property, plant and equipment	295,873	240,556
	<u>856,115</u>	<u>800,798</u>

## 4. Financial expenses

	2023	2022
	DKK	DKK
Interest paid to group enterprises	598,456	186,033
Other financial expenses	11,716	4,987
Exchange adjustments, expenses	0	56,777
Exchange loss	6,578	9,679
	<u>616,750</u>	<u>257,476</u>

## Notes to the Financial Statements

	2023	2022
	DKK	DKK
<b>5. Income tax expense</b>		
Current tax for the year	-1,271,386	0
	<u>-1,271,386</u>	<u>0</u>
<b>6. Intangible fixed assets</b>		
		Goodwill
		DKK
Cost at 1 January		2,801,210
Cost at 31 December		<u>2,801,210</u>
Impairment losses and amortisation at 1 January		1,120,484
Amortisation for the year		560,242
Impairment losses and amortisation at 31 December		<u>1,680,726</u>
Carrying amount at 31 December		<u>1,120,484</u>
<b>7. Property, plant and equipment</b>		
	Other fixtures and fittings, tools and equipment	Leasehold improve- ments
	DKK	DKK
Cost at 1 January	0	2,405,558
Additions for the year	38,763	475,638
Cost at 31 December	<u>38,763</u>	<u>2,881,196</u>
Impairment losses and depreciation at 1 January	0	240,556
Depreciation for the year	7,753	288,120
Impairment losses and depreciation at 31 December	<u>7,753</u>	<u>528,676</u>
Carrying amount at 31 December	<u>31,010</u>	<u>2,352,520</u>

# Notes to the Financial Statements

## 8. Contingent assets, liabilities and other financial obligations

### Other contingent liabilities

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Zira III ApS, which is the management company of the joint taxation purposes. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

# Notes to the Financial Statements

## 9. Accounting policies

The Annual Report of Nordic Strong ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023 are presented in DKK.

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

### Income statement

#### Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when the sale is considered effected based on the following criteria:

- delivery has been made before year end;
- a binding sales agreement has been made;
- the sales price has been determined; and
- payment has been received or may with reasonable certainty be expected to be received.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

#### Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

#### Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales as well as office expenses, etc.

#### Gross loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, expenses for raw materials and consumables and other external expenses.

# Notes to the Financial Statements

## Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

## Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

## Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

## Tax on profit/loss for the year

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

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

## Balance sheet

### Intangible fixed assets

#### *Goodwill*

Goodwill is amortised on a straight-line basis over the estimated useful life of 5 years, determined on the basis of Management's experience with the individual business areas.

### Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	5 years
Leasehold improvements	10 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

### Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

# Notes to the Financial Statements

## Other fixed asset investments

Other fixed asset investments consist of deposits.

## Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale equals landed cost.

## Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

## Current Asset Investments

Current Asset Investments, which consist of listed bonds and shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

## Deferred tax assets and liabilities

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

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

## Current tax receivables and liabilities

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

## Financial liabilities

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