



## M DK Operations ApS

Balticagade 15 C, 2. tv  
8000 Aarhus  
CVR No. 41859148

## Annual report 2022

The Annual General Meeting adopted the  
annual report on 31.05.2023

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**Morten Nelius Jensen**  
Chairman of the General Meeting

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# Entity details

## Entity

M DK Operations ApS  
Balticagade 15 C, 2. tv  
8000 Aarhus

Business Registration No.: 41859148  
Registered office: Aarhus  
Financial year: 01.01.2022 - 31.12.2022

## Executive Board

Brian Anthony Child  
Jared Calvin Erickson  
Jeffrey David Steed  
Aaron David Womack

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
City Tower, Værkmestergade 2  
8000 Aarhus C

# Statement by Management

The Executive Board has today considered and approved the annual report of M DK Operations ApS for the financial year 01.01.2022 - 31.12.2022.

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

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

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Aarhus, 31.05.2023

## Executive Board

**Brian Anthony Child**

**Jared Calvin Erickson**

**Jeffrey David Steed**

**Aaron David Womack**

# Independent auditor's report

## To the shareholders of M DK Operations ApS

### Opinion

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

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

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Management's responsibilities for the financial statements

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

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

### Auditor's responsibilities for the audit of the financial statements

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Aarhus, 31.05.2023

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Søren Marquart Alsen**

State Authorised Public Accountant  
Identification No (MNE) mne40040

# Management commentary

## Primary activities

The activity is primarily to operate in trade and in related business.

## Description of material changes in activities and finances

In 2022, the company has divested the shares in subsidiaries and associated financing into a new company within the same group. The company does therefore not present consolidated financial statements as it did in 2021.

The primary focus for the company going forward is to operate within trade and related business.

## Development in activities and finances

The company is not expected to begin its core activities before 2023 and therefore management find the result for 2022 satisfying.



# Income statement for 2022

	Notes	2022 DKK	2021 DKK
<b>Gross profit/loss</b>		<b>603,138</b>	<b>(1,535,060)</b>
Income from investments in group enterprises		0	3,146,472
Other financial income	1	60,364	29,231
Other financial expenses	2	(164,756)	(1,153,073)
<b>Profit/loss before tax</b>		<b>498,746</b>	<b>487,570</b>
Tax on profit/loss for the year	3	(109,710)	425,611
<b>Profit/loss for the year</b>		<b>389,036</b>	<b>913,181</b>
<b>Proposed distribution of profit and loss</b>			
Retained earnings		389,036	913,181
<b>Proposed distribution of profit and loss</b>		<b>389,036</b>	<b>913,181</b>

# Balance sheet at 31.12.2022

## Assets

	Notes	2022 DKK	2021 DKK
Prepayments for intangible assets		58,208	0
<b>Intangible assets</b>	4	<b>58,208</b>	<b>0</b>
Investments in group enterprises		0	84,972,722
Deposits		37,198	75,000
<b>Financial assets</b>	5	<b>37,198</b>	<b>85,047,722</b>
<b>Fixed assets</b>		<b>95,406</b>	<b>85,047,722</b>
Manufactured goods and goods for resale		4,070,710	0
<b>Inventories</b>		<b>4,070,710</b>	<b>0</b>
Deferred tax		0	5,249
Other receivables		1,003,378	11,262
Joint taxation contribution receivable		0	420,362
<b>Receivables</b>		<b>1,003,378</b>	<b>436,873</b>
<b>Cash</b>		<b>177,026</b>	<b>1,073,731</b>
<b>Current assets</b>		<b>5,251,114</b>	<b>1,510,604</b>
<b>Assets</b>		<b>5,346,520</b>	<b>86,558,326</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2022</b> <b>DKK</b>	<b>2021</b> <b>DKK</b>
Contributed capital		50,000	50,000
Reserve for net revaluation according to the equity method		0	3,167,922
Retained earnings		389,036	43,467,574
<b>Equity</b>		<b>439,036</b>	<b>46,685,496</b>
Deferred tax		12,800	0
<b>Provisions</b>		<b>12,800</b>	<b>0</b>
Bank loans		0	29,639,741
<b>Non-current liabilities other than provisions</b>		<b>0</b>	<b>29,639,741</b>
Current portion of non-current liabilities other than provisions		0	8,510,353
Trade payables		104,060	0
Payables to group enterprises		4,613,714	1,020,426
Income tax payable		96,910	0
Other payables		80,000	702,310
<b>Current liabilities other than provisions</b>		<b>4,894,684</b>	<b>10,233,089</b>
<b>Liabilities other than provisions</b>		<b>4,894,684</b>	<b>39,872,830</b>
<b>Equity and liabilities</b>		<b>5,346,520</b>	<b>86,558,326</b>

Contingent liabilities

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# Statement of changes in equity for 2022

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Total DKK
Equity beginning of year	50,000	3,167,922	43,467,574	46,685,496
Effect of divestments of entities etc.	0	(3,167,922)	(43,467,574)	(46,635,496)
Profit/loss for the year	0	0	389,036	389,036
<b>Equity end of year</b>	<b>50,000</b>	<b>0</b>	<b>389,036</b>	<b>439,036</b>

# Notes

## 1 Other financial income

	2022 DKK	2021 DKK
Other interest income	2,398	0
Exchange rate adjustments	57,966	29,231
	<b>60,364</b>	<b>29,231</b>

## 2 Other financial expenses

	2022 DKK	2021 DKK
Financial expenses from group enterprises	20,536	0
Other interest expenses	0	1,100,659
Exchange rate adjustments	144,220	52,414
	<b>164,756</b>	<b>1,153,073</b>

## 3 Tax on profit/loss for the year

	2022 DKK	2021 DKK
Current tax	96,910	(420,362)
Change in deferred tax	12,800	(5,249)
	<b>109,710</b>	<b>(425,611)</b>

## 4 Intangible assets

	Prepayments for intangible assets DKK
Additions	58,208
<b>Cost end of year</b>	<b>58,208</b>
<b>Carrying amount end of year</b>	<b>58,208</b>

## 5 Financial assets

	<b>Investments in group enterprises DKK</b>
Cost beginning of year	81,804,800
Additions	(3,167,922)
Disposals	(81,804,800)
<b>Cost end of year</b>	<b>(3,167,922)</b>
Revaluations beginning of year	3,167,922
<b>Revaluations end of year</b>	<b>3,167,922</b>
<b>Carrying amount end of year</b>	<b>0</b>

## 6 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where M DK Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

# Accounting policies

## Reporting class

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

The accounting policies applied to these financial statements are consistent with those applied last year.

## Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

## Income statement

### Gross profit or loss

Gross profit or loss comprises revenue, other operating income, cost of raw materials and consumables and external expenses.

### 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, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

### 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, including

interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

### **Other financial expenses**

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

### **Tax on profit/loss for the year**

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

### **Balance sheet**

#### **Intellectual property rights etc.**

Intellectual property rights etc. comprise acquired intellectual property rights.

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

#### **Investments in group enterprises**

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value

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.

#### **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.

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.

#### **Joint taxation contributions receivable or payable**

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the



balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax.

**Cash**

Cash comprises cash in hand and bank deposits.

**Other financial liabilities**

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

**Tax receivable or payable**

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