



CHRISTENSEN  
KJÆRULFF  
PERSONLIGT ENGAGEMENT

STATSAUTORISERET  
REVISIONSAKTIESELSKAB

CVR: 15 91 56 41

TLF: 33 30 15 15

ØSTBANEGADE 123  
2100 KØBENHAVN Ø

E-MAIL: CK@CK.DK  
WEB: WWW.CK.DK

# ZURU Denmark ApS

C/O Lundgrens Advokatpartnerselskab, Tuborg Boulevard 12, 4., 2900 Hellerup

Company reg. no. 42 26 90 26

## Annual report

1 January - 31 December 2022

The annual report was submitted and approved by the general meeting on the *29/6 2023*

*Lars Morel Lærke*

Lars Morel Lærke  
Chairman of the meeting

Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the Eng. A member of,940, and that 23,5 % corresponds to 23.5 %.





## Contents

---

	<u>Page</u>
<b>Reports</b>	
Management's statement	1
Practitioner's compilation report	2
<b>Management's review</b>	
Company information	3
Management's review	4
<b>Financial statements 1 January - 31 December 2022</b>	
Income statement	5
Balance sheet	6
Statement of changes in equity	8
Notes	9
Accounting policies	11



## **Management's statement**

---

Today, the Executive Board has approved the annual report of ZURU Denmark ApS for the financial year 1 January - 31 December 2022.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

The Executive Board consider the conditions for audit exemption of the 2022 financial statements to be met.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

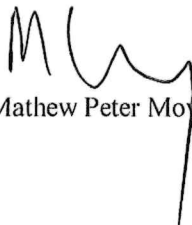
We recommend that the annual report be approved at the Annual General Meeting.

Hellerup, 20 June 2023

### **Executive board**

  
Lars Morel Lærke

  
Nicholas James Mowbray

  
Mathew Peter Mowbray



## **Practitioner's compilation report**

---

### **To the Shareholder of ZURU Denmark ApS**

We have compiled the financial statements of ZURU Denmark ApS for the financial year 1 January - 31 December 2022 based on the company's bookkeeping and on information you have provided.

These financial statements comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist Management in the preparation and presentation of these financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant requirements under the Danish Act on Approved Auditors and Audit Firms and International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) including principles of integrity, objectivity, professional competence and due care.


These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 20 June 2023

### **Christensen Kjarulff**

Company reg. no. 15 91 56 41

  
Sven-Erik Vejlbj  
State Authorised Public Accountant  
mne25075



## Company information

---

### The company

ZURU Denmark ApS  
C/O Lundgrens Advokatpartnerselskab  
Tuborg Boulevard 12, 4.  
2900 Hellerup

Company reg. no. 42 26 90 26  
Financial year: 1 January - 31 December  
2nd financial year

### Executive board

Lars Morel Lærke  
Nicholas James Mowbray  
Mathew Peter Mowbray

### Auditors

Christensen Kjørulff  
Statsautoriseret Revisionsaktieselskab  
Østbanegade 123  
2100 København Ø

### Parent company

ZURU Inc., Hong Kong



## Management's review

---

### **The principal activities of the company**

The company's purpose is wholesale of toys and consumer goods and related activities.

### **Economical situation**

The company has lost part of the contributed capital and has debts to parent company for DKK 36,831,572 but a resignation declaration has been submitted not to demand that the receivable be repaid before the company has the funds for this and no earlier than ordinary general meeting 2024.

In addition to submitting a resignation declaration, the company's parent company has also submitted a declaration of support until ordinary general meeting 2024.

Based on this, the financial statements are presented in accordance with the principles of continued operations.

### **Development in activities and financial matters**

The gross profit for the year totals DKK 1.291.232 against DKK -95.714 last year. Income or loss from ordinary activities after tax totals DKK 386.639 against DKK -230.858 last year.

### **Events occurring after the end of the financial year**

No events have occurred subsequent to the balance sheet date, which would materially impact on the financial position of the company.



## Income statement

---

All amounts in DKK.

<u>Note</u>	<u>1/1 - 31/12 2022</u>	<u>24/3 - 31/12 2021</u>
<b>Gross profit</b>	<b>1.291.232</b>	<b>-95.714</b>
2 Staff costs	-1.477.167	-186.494
<b>Operating profit</b>	<b>-185.935</b>	<b>-282.208</b>
Other financial income	714.077	0
3 Other financial expenses	-42.974	-13.764
<b>Pre-tax net profit or loss</b>	<b>485.168</b>	<b>-295.972</b>
4 Tax on net profit or loss for the year	-98.529	65.114
<b>Net profit or loss for the year</b>	<b>386.639</b>	<b>-230.858</b>
<b>Proposed distribution of net profit:</b>		
Transferred to retained earnings	386.639	0
Allocated from retained earnings	0	-230.858
<b>Total allocations and transfers</b>	<b>386.639</b>	<b>-230.858</b>



## Balance sheet at 31 December

---

All amounts in DKK.

<b>Assets</b>		
<u>Note</u>	<u>2022</u>	<u>2021</u>
<b>Current assets</b>		
Manufactured goods and goods for resale	24.355.840	0
Total inventories	<u>24.355.840</u>	<u>0</u>
Trade receivables	10.262.915	0
Receivables from group enterprises	397.253	0
Deferred tax assets	8.935	65.114
Other receivables	<u>0</u>	<u>44.562</u>
Total receivables	<u>10.669.103</u>	<u>109.676</u>
Cash and cash equivalents	<u>6.367.643</u>	<u>364.129</u>
<b>Total current assets</b>	<b><u>41.392.586</u></b>	<b><u>473.805</u></b>
<b>Total assets</b>	<b><u>41.392.586</u></b>	<b><u>473.805</u></b>





## Balance sheet at 31 December

---

All amounts in DKK.

<b>Equity and liabilities</b>	<u>2022</u>	<u>2021</u>
<u>Note</u>		
<b>Equity</b>		
Contributed capital	40.000	40.000
Retained earnings	<u>155.781</u>	<u>-230.858</u>
<b>Total equity</b>	<u><b>195.781</b></u>	<u><b>-190.858</b></u>
<b>Long term liabilities other than provisions</b>		
Prepayments received from customers	139.522	0
Trade payables	232.991	40.335
Payables to subsidiaries	40.024.624	581.867
Income tax payable	42.350	0
Other payables	<u>757.318</u>	<u>42.461</u>
Total short term liabilities other than provisions	<u>41.196.805</u>	<u>664.663</u>
<b>Total liabilities other than provisions</b>	<u><b>41.196.805</b></u>	<u><b>664.663</b></u>
<b>Total equity and liabilities</b>	<u><b>41.392.586</b></u>	<u><b>473.805</b></u>

- 1 Economical situation
- 5 Charges and security
- 6 Contingencies



## Statement of changes in equity

---

All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 24 March 2021	40.000	0	40.000
Profit or loss for the year brought forward	<u>0</u>	<u>-230.858</u>	<u>-230.858</u>
Equity 1 January 2022	40.000	-230.858	-190.858
Profit or loss for the year brought forward	<u>0</u>	<u>386.639</u>	<u>386.639</u>
	<b><u>40.000</u></b>	<b><u>155.781</u></b>	<b><u>195.781</u></b>



## Notes

---

All amounts in DKK.

### 1. **Economical situation**

The company has lost part of the contributed capital and has debts to parent company for DKK 36,831,572 but a resignation declaration has been submitted not to demand that the receivable be repaid before the company has the funds for this and no earlier than ordinary general meeting 2024.

In addition to submitting a resignation declaration, the company's parent company has also submitted a declaration of support until ordinary general meeting 2024.

Based on this, the financial statements are presented in accordance with the principles of continued operations.



## Notes

---

All amounts in DKK.

	1/1 - 31/12 2022	24/3 - 31/12 2021
	<u>          </u>	<u>          </u>
<b>2. Staff costs</b>		
Salaries and wages	1.285.608	159.532
Pension costs	147.180	23.864
Other costs for social security	44.379	3.098
	<u>1.477.167</u>	<u>186.494</u>
 Average number of employees	 <u>2</u>	 <u>1</u>
<b>3. Other financial expenses</b>		
Financial costs, group enterprises	33.693	13.764
Other financial costs	9.281	0
	<u>42.974</u>	<u>13.764</u>
<b>4. Tax on net profit or loss for the year</b>		
Tax of the results for the year, parent company	42.350	0
Adjustment for the year of deferred tax	56.179	-65.114
	<u>98.529</u>	<u>-65.114</u>
<b>5. Charges and security</b>		
The company has no charges and securities at 31 December 2022.		
<b>6. Contingencies</b>		
<b>Contingent liabilities</b>		
The company has no contingent liabilities at 31 December 2022.		



## Accounting policies

---

The annual report for ZURU Denmark ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

### **Recognition and measurement in general**

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

### **Income statement**

#### **Gross profit**

Gross profit comprises the revenue, changes in inventories and external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Direct costs comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other external expenses comprise expenses incurred for administration etc.

#### **Staff costs**

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.



## Accounting policies

---

### Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses, realised and unrealised capital gains and losses relating to debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

### Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

## Statement of financial position

### Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

The net realisable value for inventories is recognised as the estimated selling price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

### Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

### Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.



## **Accounting policies**

---

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

### **Liabilities other than provisions**

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.