

Bibs Danmark ApS

Høgevej 19
3400 Hillerød

CVR No. 37218146

Annual report 2023

1 January 2023 - 31 December 2023

Adopted at the Annual General Meeting on 6
June 2024

Henrik Juul Hansen
Chairman

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Company details

Company

Bibs Danmark ApS
Høgevej 19
3400 Hillerød

CVR No.: 37218146

Executive board

Henrik Juel Larsen

Board of Directors

Henrik Juul Hansen
Henrik Juel Larsen
Michael Bisgaard Christensen
Rasmus Emil Andersen

Auditors

inforevision
statsautoriseret revisionsaktieselskab
Buddingevej 312
2860 Søborg
CVR No. 19263096

Michael Dam-Johansen, state authorised public accountant

Financial highlights

	2023	2022	2021	2020	2019
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Income statement					
Gross profit/loss	64,362	67,748	96,756	55,795	14,491
EBITDA	15,899	32,396	78,420	44,982	13,177
EBIT	15,162	31,908	78,249	44,982	12,706
Net financials	-2,588	-1,024	-507	-253	-61
Profit/loss for the year	9,796	24,096	60,643	34,877	9,863
Balance sheet					
Total assets	89,108	73,440	85,716	53,704	28,076
Invested capital	-7,757	8,332	57,021	20,505	1,889
Equity	10,609	24,813	60,717	35,074	10,097
Cash flows					
Cash flow from operating activities	7,938	31,557	45,809	3,859	0
Cash flow from investing activities	-1,871	-936	-2,068	2,147	0
Cash flow from financing activities	-8,479	-28,248	-33,196	-15,221	0
Cash flows for the year	-2,412	2,372	10,545	-9,241	0
Average number of full-time employee	69	55	34	12	1
Ratios					
Gross margin (%)	20,0%	24,8%	43,8%	63,7%	37,6%
Return on invested capital (%)	5.273,9%	97,7%	201,9%	402,0%	457,0%
Solvency ratio (%)	11,9%	33,8%	70,8%	65,0%	36,0%
Return on equity (%)	55,3%	56,3%	126,6%	154,0%	148,0%

Referring to definitions in the accounting policies, Key Figures and Financial Ratios are in all material aspects defined and calculated in accordance with the online version of "Recommendations & Financial Ratios" issued by the CFA Society Denmark.

Management's Review

Primary activities

BIBS designs, manufactures, sources, markets and sells premium pacifiers, baby bottles and accessories with focus on design, quality, functionality, and sustainability. Bibs Danmark ApS ("BIBS Denmark") is wholly owned by AH License ApS.

AH License ApS (the "Parent") owns the production and intellectual property rights in the BIBS Group (as defined below) and holds 100% of the shares in all the subsidiaries, i.e. BIBS Production ApS ("BIBS Production"), BIBS Danmark ApS ("BIBS Denmark"), BIBS International Trading ApS ("BIBS International"), BIBS Trading UK Limited ("BIBS UK") and BIBS America Inc. ("BIBS US") (jointly referred to as the "BIBS Group").

The manufacturing and product development activities are primarily conducted by BIBS Production and the sales activities are conducted by BIBS Denmark, BIBS International, BIBS UK and BIBS US. The Group's production takes place in Hillerød with own warehouse operation in Farum. Additionally, BIBS has a 3PL solution in Denmark as well as 3PL solutions in US and UK serving the local customers in the given markets. BIBS Group distributes its products worldwide in over 100 markets in a diversified distribution model.

BIBS Group operates the Nordic countries (Denmark, Sweden, Norway, and Finland), US, UK, Germany and Poland with local management, sales, and marketing teams as Own Markets. All other markets are handled via a unique distribution model with select distributors globally. Additionally, BIBS Group operates its own online B2C brand store (www.BIBSworld.com) available in several different countries and is present on global online marketplaces such as Amazon.

Uncertainties regarding recognition and measurement

The BIBS Group has a normal level of outstanding receivables from debtors.

Subsequent events

No other events materially affecting the assessment of the Annual Report have occurred after the end of the 2023 financial year.

Development in activities, financial matters and business performance

During 2023 BIBS Group has experienced continued financial growth in distribution markets, as well as online, and completed the integration of US, UK and Germany into Own Markets. BIBS increased the market share in several markets and now offers its products in over 20,000 points of sale including more than 1,700 retailers worldwide. BIBS products are present in retail channels such as department stores, grocery stores, pharmacies, and drug stores, as well as online channels (i.e. marketplaces, own webshop and e-tailers).

BIBS successfully continued the collaboration with Liberty, the famed British design house. With two collaborative collections, the iconic BIBS pacifiers and accessories were enhanced with the unique floral prints Liberty is famous for.

In 2023, the key focus was to further establish and finalize the forward integration in the US and UK and to strengthen the organization across all departments – especially in finance, supply chain, e-commerce and sales. At the same time, BIBS increased the revenue and grew double-digit on top of a strong growth in 2022. This is considered very satisfactory given the macroeconomic environment combined with internal decisions to take control of the aforementioned Own Markets, investments in production facilities and IT systems, as well as optimization of organizational capabilities.

Management's Review, continued

The gross profit for 2023 in BIBS Denmark is 64 mDKK. BIBS Group was impacted by inflation and higher input costs; however, the result is in accordance with the projections and expectations set out in our 2022 Annual Report. In addition to these external factors affecting gross profit, the profit (EBITDA) of the year has primarily been affected by three internal BIBS Group decisions. Namely, (i) taking over the UK, US and German markets from distributors and converting these markets to Own Markets like the Nordics, (ii) investing in employees and further strengthening of the organization at HQ (BIBS Denmark), and specifically, within the supply chain function, and (iii) increased sales on online channels resulting in higher transportation and handling costs.

EBITDA in BIBS Denmark is 15.9 mDKK which is a reduction from last year as the sales in US and UK was transferred to local entities from 2023.

Double-digit, top-line growth and EBITDA increase of +20-25% is expected in 2024. To ensure this growth in 2024 and in the years to come, controlling key markets with highly skilled local management and sales teams will have increased importance. Additionally, the BIBS Group is enhancing its e-commerce setup, developing the B2C brand store and marketplaces. Several cost-optimizing projects were initiated in 2023, for which the Group will realize full-year effects in 2024, supporting the significant expected increase in EBITDA.

Future Expectations

The BIBS Group will – in continuation of the strategy – further develop and strengthen its position in the market for baby and maternity products. BIBS will further invest in existing markets, new products meeting consumer demand, and marketing activities to further increase the brand and product awareness globally. Additionally, the company will continue to invest in digitalization and e-commerce platforms.

ESG

One of BIBS' four central strategic brand pillars is "HOW WE ACT: Responsibility and Caring". This brand pillar reflects BIBS' dedication to fostering sustainable and ethical business practices and their commitment to making a positive global impact. BIBS has implemented several initiatives to reduce environmental impact, including the preparation of an ESG report.

This represents a critical moment that will shape the trajectory of future business initiatives, as BIBS aspires not only for commercial success, but also for a legacy of which they can be proud. Guided by the UN's Sustainable Development Goals, BIBS focuses on three critical topics that will serve as the foundation for their initiatives: 1) Reducing Waste, 2) Combating Climate Change, and 3) Promoting Equality. This marks a crucial step as BIBS outlines the themes and topics that will shape their future ESG strategy. BIBS acknowledges that this year lays the groundwork for future progress and that these baselines will guide BIBS in creating ambitious yet realistic targets to drive their future ESG progress and accountability. BIBS recognizes that the journey ahead is multifaceted and demanding. However, BIBS firmly believes that by working together and fostering a greater culture of transparency and responsibility, we can overcome these challenges and help create a better future for generations to come.

The BIBS Group purchases certificates from its electricity provider to document that electricity used in production facilities comes from renewable energy sources in Europe. BIBS uses FSC-approved cardboard when possible, and all our packaging is produced in accordance with applicable legislation.

BIBS strives to improve and reduce its environmental impact by minimizing the use of packaging, using recycled materials to the extent possible and optimizing transportation.

Financial risks

The BIBS Group uses no external financial sources and uses no financial instruments to counter fluctuations in exchange rates.

Management's Review, continued

Management expects production costs to be more stable in the coming years. BIBS Group has solid control over the supply chain via its own production site and long-term relationships with key suppliers.

Research and development activities

During the year, the development of proprietary webshops has been initiated to support the Group's strategic focus on online commerce. In BIBS Production, the implementation of a production-batch management system has been initiated to support improved product and inventory management.

Branches Abroad

All international activities are either conducted via wholly controlled subsidiaries or local distributors.

Uncertainty connected with recognition and measurement

The BIBS Group has a normal level of outstanding receivables from debtors.

The History

The BIBS Group is a premium Danish baby brand founded in 1978. The original and iconic BIBS pacifier (Colour) has been on the market for over 45 years. Since then, the pacifiers have been adapted, improved, and enhanced so they all appear in a beautiful design, made of the best and safest material on the market. Several uniquely designed pacifiers have been added over the last years to redefine the shape, form and feel of a pacifier, which is a key component for the continued growth of the BIBS Group.

One of the keys to the success of BIBS is the honest and professional service we provide. We are honored by the trust that our customers and consumers show us. We achieve this only thanks to the efforts of our dedicated employees and their commitment to the development of the BIBS Group. We have continued our growth journey by hiring an experienced and dedicated top management team and by employing an additional 24 people in 2023 (98 to 122 FTEs) to provide the best service to our Own Markets, distributors, and customers around the world.

To support its growth strategy, the BIBS Group continues to invest in research and development. Costs related hereto are primarily associated with development costs related to new products, as well as further development of the existing pacifiers and other products in the product portfolio.

BIBS Group management has high expectations of the market potential of the markets recently converted to Own Markets: the US, the UK, Germany, and Poland (Poland to be fully integrated in 2024).

Statement by Management

The Board of Directors and The Executive Board have today considered and adopted the annual report for 1 January 2023 - 31 December 2023 for Bibs Danmark ApS.

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

In our opinion, the financial statements give a true and fair view of the the company's financial position at 31 December 2023 and of the results of its operations for the financial year 1 January 2023 - 31 December 2023.

We believe that the Management's review contains a fair review of the affairs and conditions referred to therein.

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

Hillerød, 6 June 2024

Executive board

Henrik Juel Larsen
CEO

Board of Directors

Henrik Juul Hansen
Chairman

Henrik Juel Larsen
Board member

Michael Bisgaard Christensen
Board member

Rasmus Emil Andersen
Board member

Independent auditor's report

To the shareholder in Bibs Danmark ApS

Opinion

We have audited the financial statements of Bibs Danmark ApS for the financial year 1 January 2023 - 31 December 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position as at 31 December 2023 and of the results of the company's operations for the financial year 1 January 2023 - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the company in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and 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 company'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 company 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent auditor's report, continued

- 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 company'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 company 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 Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, 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 Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review 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 in Management's Review.

Søborg, 6 June 2024

inforevision
Statsautoriseret revisionsaktieselskab
CVR No. 19263096

Michael Dam-Johansen
State Authorised Public Accountant
mne36161

Accounting policies

Information on reporting class

The annual report has been prepared in accordance with Danish financial statement legislation as well as generally accepted accounting principles.

The annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing Reporting class C, (medium-sized enterprises).

The accounting policies have not been changed from last year.

Generally regarding recognition and measurement

The financial statements have been prepared based on historical cost.

The income is 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.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the annual report which confirm or invalidate affairs and conditions existing at the balance sheet date.

The functional currency is Danish Kroner. All other currencies are considered foreign currencies.

Foreign currency translation

During the year, transactions in foreign currencies have been translated applying the exchange rate at the transaction date. If currency positions are considered hedge of future cash flows, the value adjustments are recognised directly in equity.

Receivables and debt denominated in foreign currencies have been recognised at the exchange rate of the balance sheet date.

Realised and unrealised exchange gains and losses have been recognised in the income statement under other financial income and expenses.

Accounting policies, continued

Income statement

The income statement has been classified by nature.

Gross profit

Gross profit/loss includes "Revenue", "Cost of sales", "Other operating income" and "External expenses".

Revenue

As income recognition criterion, the completed contract method is applied so that revenue comprises invoiced revenue for the year. 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 before the end of the financial year. Revenue is measured at fair value excl. VAT and less granted goods and customer discounts.

Cost of sales

Cost of sales comprise expenses incurred to earn revenue for the year including consumables used as well as packaging in the year.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the company's primary activities, including payments received from public authorities as well as profit on sale of fixed assets.

External expenses

External expenses comprises Selling costs, Cost of premises and Administrative expenses.

Staff costs

Staff costs include wages and salaries including holiday pay and pensions and other social security costs etc. to the company's employees.

Accounting policies, continued

Financial income

Financial income is recognised with amounts concerning the the financial year. Financial income comprise interest, realised and unrealised exchange gains as well as interest reimbursements under the Danish Tax Prepayment Scheme.

Financial expenses

Financial expenses is recognised with amounts concerning the the financial year. Financial expenses comprise interest, realised and unrealised exchange losses as well as interest surcharge under the Danish Tax Prepayment Scheme.

Tax on profit or loss for the year

Tax on profit or loss for the year represents 22% of the book profit or loss adjusted for non-taxable and non-deductible items.

Tax on profit or loss for the year consists of the anticipated tax portion of the taxable income for the year adjusted for the changes for the year in deferred tax. Changes in deferred taxes due to adjustments of tax rates is recognised in the income statement.

Tax on profit or loss for the year is recognised in the income statement by the portion attributable to the profit or loss for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The company is subject to the Danish Tax Prepayment Scheme. Interest reimbursement and interest surcharge have been recognised in financial income and expenses.

Accounting policies, continued

Balance sheet

The balance sheet has been presented in account form.

Assets

Intangible assets

Intangible assets are measured at cost less accumulate amortisation.

Cost comprises the acquisition price as well as costs directly related to the acquisition until the time when the asset is ready to be put into operation.

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 company 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 not meeting the criteria for capitalisation are recognised as costs in the income statement as incurred.

Development projects in progress are transferred to completed development projects when the asset is ready to be put into operation.

For own-developed development projects, capitalised after 1 January 2016 the carrying amount less deferred tax is transferred from "Retained earnings" to "Reserve for development expenditure" under equity. Carrying amounts which exist as a consequence of purchases of assets or enterprises' are not taken into the reserve.

Assets are amortised on a straight-line basis over their estimated useful lives:

Category	Period
Completed development projects	7 years

Development projects in progress are not amortised.

As the intangible assets are not being traded in an active and effective market, no residual values after end of use are included when determining the amortisation period.

Profit/loss on sale has been included in the income statement under other operating income and other operating expenses.

The carrying amounts of intangible assets are reviewed annually for indication of impairment for losses, apart from what is expressed by usual amortisation. If this applies, impairment for loss is made of each asset or group of assets, respectively, to lower recoverable amount. As recoverable amount, the higher of expected net selling price and net present value is applied. The net present value is calculated as the present value of the expected cash flows from the use of the asset or the group of assets.

Impairment for loss for the year is recognised in the income statement as amortisation, depreciation and impairment for loss of property, plant and equipment and intangible assets.

Accounting policies, continued

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulate depreciation. The basis of depreciation is cost less estimated residual value after the end of useful life.

Cost comprises the acquisition price as well as costs directly related to the acquisition until the time when the asset is ready to be put into operation.

The costprice for an asset is divided into separate components, that are depreciated separately, if the useful life of the individual components is significantly different.

Depreciation is initiated when the assets are ready to be taken into operation. Assets are depreciated on a straight-line basis over their estimated useful lives with following residual values:

Category	Period	Residual value
Leasehold improvements	5 - 10 years	0%

Minor purchases with useful lives below one year have been recognised as an expense in the income statement in external expenses.

Profit/loss on sale or retirement has been included in the income statement under other operating income and other operating expenses.

The carrying amounts of property, plant and equipment are reviewed annually for indication of impairment for losses, apart from what is expressed by usual depreciation. If this applies, impairment for loss is made of each asset or group of assets, respectively, to lower recoverable amount. As recoverable amount, the higher of expected net selling price and net present value is applied. The net present value is calculated as the present value of the expected cash flows from the use of the asset or the group of assets.

Impairment for loss for the year is recognised in the income statement as amortisation, depreciation and impairment for loss of property, plant and equipment and intangible assets.

Accounting policies, continued

Other receivables classified as fixed assets

Deposits recognised as fixed assets are measured at amortised cost, which usually corresponds to nominal amount.

Inventories

Inventories are measured at cost according to the FIFO method. In the event of cost exceeding net realisable value, writedown is made to this lower value.

Cost of goods for resale as well as raw materials and consumables comprises purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and other direct costs. Applied indirect production costs are included. Indirect production costs comprise indirect materials and wages as well as maintenance of and depreciation of the production equipment and buildings used in the manufacturing process.

The net realisable value of inventories is calculated at the estimated selling price less completion costs and expected costs to execute sale. The net realisable value is determined allowing for marketability, obsolescence and development in expected sales price.

Received prepayments from customers regarding non delivered goods are recognised as liabilities.

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. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

Prepayments

Prepayments comprise costs incurred relating to subsequent financial years.

Accounting policies, continued

Equity and liabilities

Equity

Reserve for development expenditure comprise capitalised development expenses from 1 January 2016. The reserve cannot be used for dividends or for elimination of negative retained earnings. The reserve is reduced or dissolved due to amortisation or divestment by transferring the amount from the reserve to retained earnings.

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Deferred tax and corporation tax

Deferred tax is measured using the balance sheet liability method. Provision has been made for deferred tax by 22% on all temporary differences between carrying amount and tax-based value of assets and liabilities. Deferred tax is also measures with respect of the planned use of the asset and the settlement of the liability.

The tax value of the tax losses to be carried forward are included in the calculation of deferred taxes if it is probable that the losses can be used. Deferred tax assets are measured at net realisable value.

The company is jointly taxed with other Danish group enterprises with AH Group Holding ApS as Management company. The tax effect of the joint taxation is allocated among the group enterprises in ratio to their taxable income according to the rules on full allocation with a refund for tax losses of the Danish Corporation Tax Act.

Joint tax contributions between the jointly taxed companies which have not been settled at the balance sheet date are classified as joint tax contributions in receivables or liabilities other than provisions.

Financial debts

Short-term debts are measured at amortised cost, substantially corresponding to nominal value.

Cash flow statement

Referring to Section 86 (4) of The Danish Financial Statements Act, the company has not prepared a cash flow statement.

Accounting policies, continued

Financial highlights

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark. Financial highlights are calculated on basis of the financial statements, and no adjustments nor normalisations for analysis purposes have been made unless expressed in the section of the financial highlights.

The financial highlights are calculated as follows:

Financial highlights		Explanation
EBITDA	=	Profit/loss for the year with addition of financial items, tax on profit/loss for the year as well as depreciation and amortisation
Gross margin	=	Gross profit/loss * 100/Revenue
EBIT margin	=	EBIT * 100/Revenue
Return on invested capital	=	EBIT * 100/Average invested capital*
Solvency ratio	=	Equity * 100/Total assets
Return on equity	=	Profit/loss for the year * 100/Average equity

*Invested capital are defined as net working capital with addition of operating intangible assets and Property, plant and equipment and deducted by other provisions.

Income statement

	Note	2023	2022
		DKK	DKK
Gross profit		64,361,827	67,747,798
Staff costs	1	-48,462,481	-35,351,335
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		15,899,346	32,396,463
Depreciation, amortisation and impairment losses of property, plant and equipment and intangible assets	2	-737,758	-488,198
Earnings before interest and taxes (EBIT)		15,161,588	31,908,265
Finance income	3	996,800	0
Finance expenses	4	-3,584,352	-1,023,592
Profit/loss before tax		12,574,036	30,884,673
Tax on profit/loss for the year	5	-2,777,814	-6,789,118
Profit/loss for the year		9,796,222	24,095,555
Proposed distribution of profit and loss	6		

Assets

	Note	31/12-2023	31/12-2022
		DKK	DKK
Other similar rights originating from development projects		780,148	883,054
Development projects in progress		615,657	0
Intangible assets	7	1,395,805	883,054
Leasehold improvements		1,653,259	1,490,621
Property, plant and equipment	8	1,653,259	1,490,621
Deposits		858,000	400,122
Investments	9	858,000	400,122
Fixed assets		3,907,064	2,773,797
Manufactured goods and goods for resale		21,408,296	0
Inventories		21,408,296	0
Trade receivables		31,492,509	32,889,450
Receivables from group enterprises		6,874,245	0
Other receivables		4,749,772	14,347,433
Prepayments	10	111,849	473,518
Receivables		43,228,375	47,710,401
Cash at bank and in hand		20,564,047	22,955,407
Current assets		85,200,718	70,665,808
Total assets		89,107,782	73,439,605

Equity and liabilities

	Note	31/12-2023 DKK	31/12-2022 DKK
Contributed capital	11	50,000	50,000
Reserve for development expenditure		1,088,728	268,613
Retained earnings		470,010	493,903
Proposed dividend recognised in equity		9,000,000	24,000,000
Equity		10,608,738	24,812,516
Deferred tax, liabilities	5	365,382	258,485
Provisions		365,382	258,485
Debt to other credit institutions		20,213	0
Trade payables		4,595,327	3,706,386
Payables to group enterprises		57,274,831	34,879,095
Joint tax contribution payables	5	2,670,917	6,616,295
Other payables		13,572,374	3,166,828
Short-term liabilities other than provisions		78,133,662	48,368,604
Liabilities other than provisions		78,133,662	48,368,604
Total equity and liabilities		89,107,782	73,439,605
Contingent liabilities	12		
Unrecognised contractual commitments	13		
Related parties	14		
Group relations	15		

Statement of changes in equity

	Contrib- uted capital	Reserve for develop- ment expenditure	Retained earnings	Proposed dividend recognised in equity	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January 2022	50,000	0	666,961	60,000,000	60,716,961
Dividends paid			0	-60,000,000	-60,000,000
Distributed profit/loss for the year			95,555	24,000,000	24,095,555
Transferred to reserve for development expenditure for the year		268,613	-268,613		0
Equity at 1 January 2023	50,000	268,613	493,903	24,000,000	24,812,516
Dividends paid			0	-24,000,000	-24,000,000
Distributed profit/loss for the year			796,222	9,000,000	9,796,222
Transferred to reserve for development expenditure for the year		820,115	-820,115		0
Equity at 31 December 2023	50,000	1,088,728	470,010	9,000,000	10,608,738

Notes

1. Staff costs

	<u>2023</u>	<u>2022</u>
	DKK	DKK
Wages and salaries	40,839,877	28,540,926
Pensions	4,495,478	3,392,498
Other social security costs	584,186	454,233
Other staff cost	2,542,940	2,963,678
Total	<u>48,462,481</u>	<u>35,351,335</u>
 Average number of full-time employees	 <u>69</u>	 <u>55</u>
 Remuneration for management categories:		
Board of directors	40,000	200,000

Referring to section 98 b (3) of the Danish Financial Statement Act, remuneration of the executive board and the board of directors have not been disclosed.

2. Depreciation, amortisation and impairment losses of property, plant and equipment and intangible assets

	<u>2023</u>	<u>2022</u>
	DKK	DKK
Amortisation of intangible assets	226,656	141,280
Depreciation of property, plant and equipment	511,102	346,918
Total	<u>737,758</u>	<u>488,198</u>

3. Finance income

	<u>2023</u>	<u>2022</u>
	DKK	DKK
Financial income from group enterprises	627,801	0
Other financial income	368,999	0
Total	<u>996,800</u>	<u>0</u>

Notes, continued

4. Finance expenses

	2023	2022
	DKK	DKK
Financial expenses to group enterprises	1,234,878	0
Other financial expenses	2,349,474	1,023,592
Total	3,584,352	1,023,592

5. Tax expense

	Joint tax contribution	Deferred tax	Tax on profit/loss for the year	2022
	DKK	DKK	DKK	DKK
Payables at 1 January 2023	6,616,295	258,485		
Paid in respect of previous years	-6,616,295			
Tax on profit/loss for the year	2,670,917	106,897	2,777,814	6,789,118
Payables at 31 December 2023	2,670,917	365,382		
Tax on profit/loss for the year recognised in the income statement			2,777,814	6,789,118

Recognition in balance sheet:

Provisions		365,382
Short-term payables	2,670,917	
Total	2,670,917	365,382

Deferred tax is incumbent upon the following assets and liabilities:

	31/12-2023	31/12-2022
	DKK	DKK
Intangible assets	307,077	194,272
Property, plant and equipment	58,304	64,213
Deferred tax liability (+)/Deferred tax asset (-)	365,382	258,485

Notes, continued

6. Proposed distribution of profit and loss

	2023	2022
	DKK	DKK
Proposed distribution of profit and loss for the year :		
Proposed dividends for the financial year	9,000,000	24,000,000
Transferred to retained earnings	796,222	95,555
Profit/loss for the year	9,796,222	24,095,555

7. Intangible assets

	<i>Other similar rights originating from development projects</i>	<i>Development projects in progress</i>	Total	2022
	DKK	DKK	DKK	DKK
Cost at 1 January 2023	1,050,777	0	1,050,777	706,402
Additions for the year	123,750	615,657	739,407	344,375
Cost at 31 December 2023	1,174,527	615,657	1,790,184	1,050,777
Amortisation and impairment losses at 1 January 2023	-167,723	0	-167,723	-26,443
Amortisation for the year	-226,656		-226,656	-141,280
Amortisation and impairment losses at 31 December 2023	-394,379	0	-394,379	-167,723
Carrying amount at 31 December 2023	780,148	615,657	1,395,805	883,054

During the current year, the company has initiated the development of its own web shops, which together support the company's long-term strategy and are expected to contribute positively to both cash flow and revenue in the coming years.

Notes, continued

8. Property, plant and equipment

	Leasehold improvements	Total	2022
	DKK	DKK	DKK
Cost at 1 January 2023	1,981,951	1,981,951	1,460,252
Additions for the year	673,740	673,740	521,699
Disposals for the year	-88,379	-88,379	0
Cost at 31 December 2023	2,567,312	2,567,312	1,981,951
Depreciation and impairment losses at 1 January 2023	-491,330	-491,330	-144,412
Depreciation for the year	-511,102	-511,102	-346,918
Reversal regarding disposals for the year	88,379	88,379	0
Depreciation and impairment losses at 31 December 2023	-914,053	-914,053	-491,330
Carrying amount at 31 December 2023	1,653,259	1,653,259	1,490,621

9. Investments

	Deposits	Total	2022
	DKK	DKK	DKK
Cost at 1 January 2023	400,122	400,122	330,000
Additions for the year	457,878	457,878	70,122
Cost at 31 December 2023	858,000	858,000	400,122
Carrying amount at 31 December 2023	858,000	858,000	400,122

10. Prepayments

	2023	2022
	DKK	DKK
Software	111,849	473,518
Total	111,849	473,518

Notes, continued

11. Contributed capital

	<u>2023</u>	<u>2022</u>
	DKK	DKK
Contributed capital beginning of the year	50,000	50,000
Total	<u>50,000</u>	<u>50,000</u>

12. Contingent liabilities

Bibs Danmark ApS are jointly taxed with other group companies and are severally liable for tax on the jointly taxed incomes etc. of the group. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of tax on interest, dividend tax and tax on royalty payments. Any subsequent adjustments of corporation taxes and withholding taxes may increase the the company's liability.

13. Unrecognised contractual commitments

	<u>2023</u>
	DKK
The company has entered into rental commitment regarding rent of premises. The rental contract is non-terminable until 1/12 2025. The total commitment represents	3,289,000
Total rental and lease obligations	<u>3,289,000</u>

Notes, continued

14. Related parties

Related parties with controlling interest comprise the following:

Controlling interest:	Basis of controlling interest:
AH License ApS Høgevej 19 Hillerød, 3400, Denmark	Main shareholder
AH Group Holding ApS Gøngevænget 12, Gadevang Hillerød, 3400, Denmark	Owner of AH License ApS with 100 %
Henrik Juel Larsen	Owner of AH Group ApS with 50 %
Ann-Cathrine Juel Lythcke	Owner of AH Group ApS with 50 %

In accordance with section 98(c)(7) of the Danish Financial Statements Act no related party transactions have been disclosed as management assess all transactions have been carried out on an arm's length basis.

15. Group relations

Consolidated Financial Statements The Company is included in the Group Annual Reports of the Parent Companies of the holding company and the largest group:

The largest group:	AH Group Holding ApS Gøngevænget 12, Gadevang Hillerød, 3400, Denmark
The smallest group:	AH License ApS Høgevej 19 Hillerød, 3400, Denmark

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