

Zupa A/S

Studsgade 29, 8000 Aarhus C
CVR no. 20 64 31 02

Annual report for the financial year 01.07.23 - 30.06.24

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 28.11.24

Karen Bach Lück
Dirigent

Company information etc.	3 - 4
Statement by the Executive Board and Board of Directors on the annual report	5
Independent auditor's report	6 - 8
Management's review	9
Income statement	10
Balance sheet	11 - 12
Statement of changes in equity	13
Notes	14 - 23

The company

Zupa A/S
Studsgade 29
8000 Aarhus C
Registered office: Aarhus
CVR no.: 20 64 31 02
Financial year: 01.07 - 30.06

Executive Board

Mogens Kristensen

Board of Directors

Albert Crilles Sebastian Funder, chairman
Lars Bo Hansen, member
Michael Kaltoft Paterson, member
Morten Eskildsen, member
Jesper Angelsø Hjortshøj, member
Peter Herlev Enevoldsen, member
Mads Heide Mikkelsen, member
Peer Brændholt, member
Mogens Kristensen, member

Auditors

Beierholm
Godkendt Revisionspartnerselskab

Parent company

Spring Family ApS, Aarhus

Statement by the Executive Board and Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.07.23 - 30.06.24 for Zupa A/S.

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 company's assets, liabilities and financial position as at 30.06.24 and of the results of the company's activities for the financial year 01.07.23 - 30.06.24.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Aarhus C, November 28, 2024

Executive Board

Mogens Kristensen

Board of Directors

Albert Crilles Sebastian
Funder
Chairman

Lars Bo Hansen

Michael Kaltoft Paterson

Morten Eskildsen

Jesper Angelsø Hjortshøj

Peter Herlev Enevoldsen

Mads Heide Mikkelsen

Peer Brændholt

Mogens Kristensen

To the Shareholder of Zupa A/S**Opinion**

We have audited the financial statements of Zupa A/S for the financial year 01.07.23 - 30.06.24, which comprise income statement, balance sheet, statement of changes in equity and notes to the financial statements, including material accounting policy information. 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 company's financial position at 30.06.24 and of the results of the company's operations for the financial year 01.07.23 - 30.06.24 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 our report. We are independent of the company 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.

Statement on the management's review

Management is responsible for the management's review.

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

In connection with our audit of the financial statements, it is our responsibility 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 by law and regulations.

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

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, disclosing, as applicable, matters related to going concern and 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 judgment 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.
- 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 contents of the financial statements, including the disclosures, 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.

Aarhus, November 28, 2024

Beierholm

Godkendt Revisionspartnerselskab
CVR no. 32 89 54 68

Lars Østergaard

State Authorised Public Accountant
MNE-no. mne26806

Primary activities

ZUPA operates as an advertising agency, providing strategic and creative services to a variety of clients.

Development in activities and financial affairs

The income statement for the period 1 July 2023 to 30 June 2024, shows a net loss of DKK -3,832,325 compared to a net loss of DKK -517,575 for the prior year. The balance reports equity of DKK 18,307,779

Outlook

For the upcoming financial year, ZUPA expects a profit before tax of approximately DKK 1-3 million.

The financial outcomes for 2023/2024 largely reflect unsuccessful investments in new capabilities. ZUPA has since optimized and streamlined its organization to remain focused on its core competencies, with the goal of ensuring profitability while pursuing moderate growth.

Sales growth is expected from both existing and new clients, although market uncertainty and client budget limitations in marketing are likely to influence growth rates.

ZUPA will continue to seek new business opportunities and adapt its service offerings to meet evolving market demands.

The balance between achieving profitability and investing in future oriented capabilities and services remains essential for sustaining ZUPA's performance.

Subsequent events

No important events have occurred after the end of the financial year.

Income statement

Note		2023/24 DKK	2022/23 DKK
	Gross profit	54,812,137	55,472,891
1	Staff costs	-58,859,185	-55,209,588
	Profit/loss before depreciation, amortisation, write-downs and impairment losses	-4,047,048	263,303
	Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	-782,188	-875,178
	Other operating expenses	-42,217	0
	Operating loss	-4,871,453	-611,875
2	Financial income	189,231	251,250
	Financial expenses	-50,996	-126,757
	Loss before tax	-4,733,218	-487,382
3	Tax on loss for the year	900,893	-30,193
	Loss for the year	-3,832,325	-517,575
Proposed appropriation account			
	Retained earnings	-3,832,325	-517,575
	Total	-3,832,325	-517,575

Balance sheet

Note	ASSETS		30.06.24	30.06.23
			DKK	DKK
	Goodwill		1,089,091	1,734,848
	Total intangible assets		1,089,091	1,734,848
	Leasehold improvements		80,438	103,009
	Other fixtures and fittings, tools and equipment		171,536	220,958
	Total property, plant and equipment		251,974	323,967
	Deposits		336,482	350,032
	Total investments		336,482	350,032
	Total non-current assets		1,677,547	2,408,847
4	Work in progress for third parties		4,706,785	6,221,690
	Trade receivables		27,713,095	18,125,825
	Receivables from group enterprises		1,650,767	8,006,152
	Income tax receivable		339,159	615,996
	Other receivables		165,976	28,625
	Prepayments		1,153,641	1,137,532
	Total receivables		35,729,423	34,135,820
	Cash		5,069	1,095
	Total current assets		35,734,492	34,136,915
	Total assets		37,412,039	36,545,762

Balance sheet

EQUITY AND LIABILITIES

Note		30.06.24 DKK	30.06.23 DKK
	Share capital	750,000	750,000
	Retained earnings	17,557,779	21,390,104
	Total equity	18,307,779	22,140,104
	Provisions for deferred tax	133,455	695,189
	Total provisions	133,455	695,189
5	Other payables	838,070	1,249,128
	Total long-term payables	838,070	1,249,128
4	Prepayments received from work in progress for third parties	6,343,176	3,781,893
	Trade payables	6,147,380	1,198,737
	Payables to group enterprises	0	2,300,240
	Other payables	5,642,179	5,180,471
	Total short-term payables	18,132,735	12,461,341
	Total payables	18,970,805	13,710,469
	Total equity and liabilities	37,412,039	36,545,762
6	Contingent liabilities		
7	Charges and security		
8	Related parties		

Statement of changes in equity

Figures in DKK	Share capital	Retained earnings	Total equity
Statement of changes in equity for 01.07.22 - 30.06.23			
Balance as at 01.07.22	750,000	21,907,679	22,657,679
Net profit/loss for the year	0	-517,575	-517,575
Balance as at 30.06.23	750,000	21,390,104	22,140,104
Statement of changes in equity for 01.07.23 - 30.06.24			
Balance as at 01.07.23	750,000	21,390,104	22,140,104
Net profit/loss for the year	0	-3,832,325	-3,832,325
Balance as at 30.06.24	750,000	17,557,779	18,307,779

	2023/24 DKK	2022/23 DKK
1. Staff costs		
Wages and salaries	52,791,284	49,283,547
Pensions	4,083,237	3,787,339
Other social security costs	550,994	535,057
Other staff costs	1,433,670	1,603,645
Total	58,859,185	55,209,588
 Average number of employees during the year	 74	 73

2. Financial income

Interest, group enterprises	0	258,122
Other interest income	189,231	-6,872
Total	189,231	251,250

3. Tax on loss for the year

Current tax for the year	-339,159	-615,996
Adjustment of deferred tax for the year	-561,734	646,189
Total	-900,893	30,193

	30.06.24 DKK	30.06.23 DKK
--	-----------------	-----------------

4. Work in progress for third parties

Work in progress for third parties	4,645,933	6,186,717
On-account invoicing	-6,282,324	-3,746,920
Total work in progress for third parties	-1,636,391	2,439,797
Work in progress for third parties	4,706,785	6,221,690
Prepayments received from work in progress for third parties, short-term payables	-6,343,176	-3,781,893
Total	-1,636,391	2,439,797

5. Long-term payables

Figures in DKK	Outstanding debt after 5 years	Total payables at 30.06.24	Total payables at 30.06.23
Other payables	838,070	838,070	1,249,128
Total	838,070	838,070	1,249,128

6. Contingent liabilities

Lease commitments

Tenancy agreements has been entered into, including parking spaces, at an annual rent of approx. DKK 814k. The lease is non-terminable for 1-15 months (total liability of DKK 913k).

In addition, the Company has entered into car lease agreements, which is settled over 12 to 48 months. The remaining liability constitutes DKK 419k.

6. Contingent liabilities - continued -

Other contingent liabilities

The group companies are jointly and severally liable for tax on the group's jointly taxed income etc. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, royalty tax and tax on unearned income. Any subsequent adjustments to corporation taxes and withholding taxes may imply that the Company's liability is higher.

7. Charges and security

The company enters into a cashpool arrangement with the group. The group companies are jointly and severally liable for the credit limit.

An all monies mortgage of DKK 34,000k has been provided as security for the group with Nordea Bank A/S, securing a company charge over receivables from sale, other plant, operating equipment and inventory as well as goodwill. The Company's book value of the said assets totals DKK 27,854k on 30 June 2024.

8. Related parties

The company is included in the consolidated financial statements of the parent Spring Family ApS, Aarhus.

9. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B with application of provisions for a higher reporting class.

The accounting policies have been applied consistently with previous years.

The Company has chosen to reclassify certain items in the income statement and the balance sheet.

These reclassifications have no impact on net profit, balance sheet or equity.

Comparative figures for 2022/23 have been adjusted.

9. Accounting policies - continued -

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

LEASES

Lease payments relating to operating leases are recognised in the income statement on a straight-line basis over the lease term.

9. Accounting policies - continued -**INCOME STATEMENT****Gross profit**

Gross profit comprises revenue, other operating income and raw materials and consumables and other external expenses.

Revenue

Income from the sale of services is recognised in the income statement in line with completion of services, which means that revenue corresponds to the selling price of the work performed for the year stated on the basis of the stage of completion at the balance sheet date (percentage of completion method).

Income from construction contracts involving the delivery of highly customised assets are recognised in the income statement as revenue according to the stage of completion. Accordingly, revenue corresponds to the selling price of work performed during the year (percentage of completion method).

Other operating income

Other operating income comprises income of a secondary nature in relation to the enterprise's activities, including salarie refunds.

Costs of raw materials and consumables

Expenses for consumables comprise the consumables consumed to achieve revenue for the year

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

9. Accounting policies - continued -

Depreciation, amortisation and impairment losses

The depreciation and amortisation of intangible assets and property, plant and equipment aim at systematic depreciation and amortisation over the expected useful lives of the assets. Assets are depreciated and amortised according to the straight-line method based on the following expected useful lives and residual values:

	Useful lives, years	Residual value, per cent
Goodwill	5-10	0
Leasehold improvements	10	0
Other plant, fixtures and fittings, tools and equipment	1-10	0

Goodwill is amortised over 5-10 years. The useful life has been determined in consideration of the expected future net earnings of the enterprise or activity to which the goodwill relates.

The basis of depreciation and amortisation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation and amortisation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Intangible assets and property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

Other operating expenses

Other operating expenses comprise costs of a secondary nature in relation to the enterprise's activities, including costs relating to losses on the sale of intangible assets and property, plant and equipment.

Other net financials

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

9. Accounting policies - continued -

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

The company is jointly taxed with Danish consolidated enterprises.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

BALANCE SHEET

Intangible assets

Goodwill

Goodwill is measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Goodwill is amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains or losses on the disposal of intangible assets are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal.

Property, plant and equipment

Property, plant and equipment comprise leasehold improvements as well as other fixtures and fittings, tools and equipment.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

9. Accounting policies - continued -

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation and amortisation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist. Impairment losses on goodwill are not reversed.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

9. Accounting policies - continued -

Work in progress for third parties

Work in progress for third parties is measured at the selling price of the work performed less on-account invoicing made for each piece of work in progress.

The selling price is measured according to the stage of completion at the balance sheet date and total expected income from each piece of work in progress. The degree of completion for each piece of work in progress is normally calculated as the ratio between the resources spent and the total budgeted resource consumption. For some work in progress where the resource consumption cannot be used as a basis, the ratio between completed subactivities and the combined subactivities for the individual piece of work in progress is used instead.

When the selling price of a piece of work in progress cannot be determined reliably, the selling price is measured at the lower of costs incurred and net realisable value.

The individual piece of work in progress is recognised under receivables or payables in the balance sheet depending on whether the net value of the selling price less prepayments received is positive or negative.

When it is likely that the total costs of the individual piece of work in progress will exceed total sales income, the total expected loss is recognised as a provision.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Cash

Cash includes operating cash.

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

9. Accounting policies - continued -

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term financial payables are measured at amortised cost, normally corresponding to the nominal value of such payables. Other short-term payables are measured at net realisable value.