



Piaster Revisorerne

vi giver bedre råd

WaveCrest Holding A/S

Toldbodgade 18, 1253 København K

Company reg. no. 41 83 26 30

Annual report

1 January - 31 December 2023

The annual report was submitted and approved by the general meeting on the 16 July 2024.

Tero Tapani Ylönen
Chairman of the meeting

Piaster Revisorerne, statsautoriseret revisionsaktieselskab
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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Board of Directors and the Executive Board have approved the annual report of WaveCrest Holding A/S for the financial year 1 January - 31 December 2023.

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 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023.

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.

København K, 16 July 2024

Executive board

Sune Ernst Nielsen

Jens Brinck

Board of directors

Jan Snogdal

Thomas Krüger Andersen

Tero Tapani Ylönen

The independent practitioner's report

To the Shareholders of WaveCrest Holding A/S

Conclusion

We have performed an extended review of the financial statements of WaveCrest Holding A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

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

Basis for conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Practitioner's responsibilities for the extended review 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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.

Practitioner's responsibilities for the extended review of the Financial Statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

The independent practitioner's report

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

Statement on the Management's Review

Management is responsible for the Management's Review.

Our conclusion 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 extended review of the financial statements, our responsibility is to read the Management's Review and, in doing so, consider whether the Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the extended review, or otherwise appears to be materially misstated.

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

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 the Danish Financial Statements Act. We did not identify any material misstatement in the Management's Review.

Alleroed, 16 July 2024

Piaster Revisorerne

Statsautoriseret Revisionsaktieselskab
Company reg. no. 25 16 00 37

Kaspar Hartmann-Petersen

State Authorised Public Accountant
mne45833

Company information

The company

WaveCrest Holding A/S

Toldbodgade 18

1253 København K

Company reg. no. 41 83 26 30

Financial year: 1 January - 31 December

Board of directors

Jan Snogdal

Thomas Krüger Andersen

Tero Tapani Ylönen

Executive board

Sune Ernst Nielsen

Jens Brinck

Auditors

Piaster Revisorerne, Statsautoriseret Revisionsaktieselskab

Engholm Parkvej 8

3450 Allerød

Subsidiaries

WaveCrest Denmark ApS, Copenhagen

Brandiators AS, Oslo

Brandiators OY, Helsinki

Brandiators AB, Stockholm

WaveCrest Sweden AB, Stockholm

WaveCrest Norway AS, Oslo

Gorm Larsen Sales AB, Stockholm

Gorm Larsen Nordic OY, Espoo

Harva Marketing OY, Tampere

Sunnyone Promotion OY, Helsinki

Tessa Oy esittely - ja toimialapalvelu, Helsinki

Management's review

Description of key activities of the company

The Company's main activity is to function as holding company.

Uncertainties about recognition or measurement

It is a prerequisite for the company's continued operation that the intra-group financing is maintained and that there is support for the parent company's finances through the group companies. Management's assessment is that the intra-group financing is maintained and that there are no group companies that will demand repayment of their receivables unless the liquidity in WaveCrest Holding A/S as well as the group supports this.

Development in activities and financial matters

Management considers the net result for the year acceptable.

Events occurring after the end of the financial year

In 2024 the company acquired several subsidiaries, as Montdor Denmark ApS, Retail United AB and Agenda Retail Group AB.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2023</u>	<u>2022</u>
Gross profit	247.668	-2.801.863
2 Staff costs	-587.993	0
Depreciation and impairment of non-current assets	-7.346	0
Operating profit	-347.671	-2.801.863
Income from investments in group enterprises	-443.013	2.546.154
Other financial income	240.884	35.007
Other financial expenses	-3.647	-534
Pre-tax net profit or loss	-553.447	-221.236
3 Tax on net profit or loss for the year	235.752	150.924
Net profit or loss for the year	-317.695	-70.312
Proposed distribution of net profit:		
Allocated from retained earnings	-317.695	-70.312
Total allocations and transfers	-317.695	-70.312

Balance sheet at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2023</u>	<u>2022</u>
Non-current assets		
Other fixtures and fittings, tools and equipment	126.368	0
Total property, plant, and equipment	126.368	0
Investments in group enterprises	30.978.551	32.457.935
Investments in participating interests	2.440.131	0
Total investments	33.418.682	32.457.935
Total non-current assets	33.545.050	32.457.935
Current assets		
Receivables from group enterprises	6.999.519	1.450.091
Income tax receivables	22	0
Tax receivables from subsidiaries	235.730	241.924
Other receivables	57.032	101.290
Prepayments	84.568	10.230
Total receivables	7.376.871	1.803.535
Cash and cash equivalents	139.087	9.566
Total current assets	7.515.958	1.813.101
Total assets	41.061.008	34.271.036

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities		
<u>Note</u>	<u>2023</u>	<u>2022</u>
Equity		
Contributed capital	591.842	591.842
Retained earnings	25.735.208	26.134.371
Total equity	26.327.050	26.726.213
Liabilities other than provisions		
Payables to associates	4.639	4.639
Total long term liabilities other than provisions	4.639	4.639
Bank loans	0	2.252
Trade payables	104.346	55.000
Payables to group enterprises	14.366.020	6.618.997
Income tax payable	0	5.903
Other payables	258.953	858.032
Total short term liabilities other than provisions	14.729.319	7.540.184
Total liabilities other than provisions	14.733.958	7.544.823
Total equity and liabilities	41.061.008	34.271.036

1 Uncertainties relating to going concern**4 Contingencies**

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Total
Equity 1 January 2022	400.000	-992.883	-592.883
Capital increase	191.842	27.489.666	27.681.508
Retained earnings for the year	0	-70.312	-70.312
Exchange rates	0	-292.100	-292.100
Equity 1 January 2023	591.842	26.134.371	26.726.213
Retained earnings for the year	0	-317.696	-317.696
Exchange rates	0	-81.467	-81.467
	591.842	25.735.208	26.327.050

Notes

All amounts in DKK.

	2023	2022
1. Uncertainties relating to going concern		
It is a prerequisite for the company's continued operation that the intra-group financing is maintained and that there is support for the parent company's finances through the group companies. Management's assessment is that the intra-group financing is maintained and that there are no group companies that will demand repayment of their receivables unless the liquidity in WaveCrest Holding A/S as well as the group supports this.		
2. Staff costs		
Salaries and wages	484.320	0
Pension costs	101.400	0
Other costs for social security	2.273	0
	587.993	0
Average number of employees	1	0
3. Tax on net profit or loss for the year		
Tax on net profit or loss for the year	-235.752	-241.924
Adjustment of deferred tax for the year	0	91.000
	-235.752	-150.924
4. Contingencies		
Joint taxation		
The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.		
The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.		
Any subsequent adjustments of corporate taxes or withholding taxes, etc., may result in changes in the company's liabilities.		

Accounting policies

The annual report for WaveCrest Holding A/S 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.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, and external costs.

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.

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

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets, operating loss and conflict compensation as well as salary reimbursements received. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

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

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

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 from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Accounting policies

Results from investments in group enterprises

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the investment in the individual entities are recognised in the income statement as a proportional share of the entities' post-tax profit or loss.

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.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable by the Danish consolidated companies is paid to the tax authorities by the company.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment. Land is not subject to depreciation.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-5 years	0-20 %

Accounting policies

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from subsuppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

Investments

Investments in group enterprises

Investments in group enterprises are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Investments in group enterprises are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 5-20 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterprises with a strong market position and a long-term earnings profile.

In relation to material assets and liabilities recognised in group enterprises but are not represented in the parent, the following accounting policies have been applied.

Investments in group enterprises with a negative equity value are measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover an negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises transferred to the reserve under equity for net revaluation according to the equity method. Dividends from group enterprises expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in group enterprises.

Accounting policies

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

On the acquisition of enterprises, the acquisition method, the uniting-of-interests method or the book value method is applied, cf. the above description under Business combinations.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in group enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Receivables

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

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

Income tax and deferred tax

As administration company, WaveCrest Holding A/S is liable to the tax authorities for the subsidiaries' corporate income taxes.

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

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Tax receivables from group enterprises" or "Income tax payable to group enterprises"

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.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

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.