

AVID DENMARK, FILIAL AF AVID NORDIC AB, SVERIGE

CVR no. 29974322

Copenhagen, Denmark

**Internal annual report
for the year ended 31 December 2022**

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Company details

Company: AVID DENMARK, FILIAL AF AVID NORDIC AB, SVERIGE

CVR no: 29974322

Registered address: C/O Mazanti-Andersen Korsø Jensen Advokatfa
Amaliegade 10
1256 København K
Denmark

Telephone: +45 33 55 99 99

Website: <https://www.avid.com/>

Incorporation date: 6 September 2004

Branch manager: Karl Anders Lennart Grundel

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Accounting policies

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

The annual report has been prepared in accordance with the reporting requirements of the Danish Financial Statements Act of class A entities for purposes of the statement of taxable income only.

The accounting policies have not been changed from last year.

Recognition and Measurement

The financial statements have been prepared based on historical cost.

The income is recognised in the income statement as earned. Further to this, value adjustments of financial assets and liabilities measured at fair value or amortised costs are recognised. Furthermore, all costs incurred to earn the profit or loss for year have been recognised in the income statement, including amortisation, depreciation, write-down and provisions as well as reversals as a consequence of changed accounting estimates of amounts previously recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow into 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.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each financial statement item.

Certain financial assets and liabilities are measured at amortised cost, by which a constant redemption yield is recognised over the term. Amortised cost is calculated as original cost less instalments and addition/deduction of the accumulated amortisation of the difference between cost and the nominal amount. Thereby, capital and exchange losses or gains are allocated over the term.

On recognition and measurement, anticipated losses and risks that appear before presentation of the annual report and which confirm or invalidate affairs or conditions existing at the balance sheet date are considered.

The functional currency is Danish kroner, DKK. All other currencies are considered foreign currencies.

Foreign Currency Translations

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.

Income Statement

Revenue

Income from the supply of services is recognised as revenue with reference to the stage of completion
Revenue is measured at fair value excl. VAT and less granted goods and customer discounts.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, lease payments under operating leases, etc.

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Accounting policies

Other financial income and other financial expenses

Financial income and expenses comprise interest, realised and unrealised exchange gains and losses as well as interest surcharge and interest reimbursements under the Danish Tax Prepayment Scheme.

Tax on profit or loss for the year income taxes

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.

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

Balance Sheet

The balance sheet has been presented in account form.

Assets

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulate amortisation and depreciation. The basis of amortisation and 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.

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:

Office equipment – 5 years

IT equipment - 3 years

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

Impairment of property, plant and equipment

The carrying amount of property plant and equipment is reviewed annually for indication of impairment for loss, apart from what is expressed by usual amortisation and 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 anticipated 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.

Fixed asset investments

Other receivables recognised under fixed assets comprise loans and rental deposits measured at amortised cost, which usually corresponds to nominal amount. In events when the carrying amount exceeds the recoverable amount, impairment for loss is made to such lower value. Impairment for loss for the year is recognised in the income statement as impairment for loss of financial assets.

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Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write-down for bad debt according to an individual assessment.

Work in progress

Work in progress is measured at cost price. Where the cost price exceeds the net realisable value, work in progress is written down to this lower value.

Prepayments

Prepayments comprise costs incurred relating to subsequent financial years.

Equity and Liabilities

Equity

Management's proposed dividends for the financial year is disclosed as a separate item in equity.

Provision for deferred tax

Deferred tax is measured according to the 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.

The tax-based values of tax losses carried forward are included in the statement of deferred tax if it is probable that the losses can be utilised.

Deferred tax assets which are not expected utilised within a few years have been disclosed in notes under contingent assets.

Other liabilities other than provisions

Other liabilities other than provisions have been measured at amortised cost which corresponds to nominal value.

Deferred income

Deferred income comprises income received relating to subsequent years.

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Income statement

	Notes	Period ended	
		12/31/2022 DKK	12/31/2021 DKK
Revenue		104,976	192,899
Staff costs	1	(17,066)	1,445,612
Depreciation and write-downs of property, plant and equipment	6	(9,994)	(9,994)
Other operating expenses	2	(98,849)	(1,540,978)
Operating profit/loss		(20,933)	87,539
Other financial income	3	25,131	(21,548)
Other financial expenses	4	(1,847)	(84,259)
Profit/loss before tax		2,351	(18,268)
Tax on profit/loss for the year	5	(517)	2,003
Profit/loss for the year		1,834	(16,265)
Proposed profit/loss distribution			
Retained earnings		1,834	(16,265)
Proposed dividends for the financial year		-	-
Profit/loss for the year		1,834	(16,265)

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Balance sheet

	Notes	As at	
		12/31/2022 DKK	12/31/2021 DKK
Assets			
Fixed assets			
Fixture and fittings, tools and equipment	6	833	10,828
Total property, plant and equipment		833	10,828
Total fixed assets		833	10,828
Non-current assets			
Deferred tax assets		73,255	73,772
Current assets			
Receivables from group enterprises		19,115,268	18,963,612
Corporate tax receivables		13,041	13,041
Other receivables		7,906	2,809
Prepayments		8,610	-
Total receivables		19,144,825	18,979,462
Cash		125,455	321,378
Total current assets		19,270,280	19,300,840
Total Assets		19,344,368	19,385,440
Equity and liabilities			
Equity			
Share capital	7	-	-
Retained earnings		19,300,599	19,298,765
Proposed dividends		-	-
Total equity		19,300,599	19,298,765
Liabilities			
Current liabilities			
Trade payables		41,217	32,376
Other payables		2,552	54,299
Total current liabilities		43,769	86,675
Total liabilities		43,769	86,675
Total Equity and Liabilities		19,344,368	19,385,440

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Notes to the financial statements

1 Staff costs

	2022	2021
	DKK	DKK
Wages and salaries	(4,181)	1,355,093
Pension contributions	-	(736)
Other social security costs	(12,885)	91,255
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	(17,066)	1,445,612
	<hr/>	<hr/>

2 Other operating expenses

	2022	2021
	DKK	DKK
Car expenses, including lease expenses	-	(109,296)
Telephone, postage, office supplies, etc.	(4,172)	(31,666)
IT expenses	(45,641)	(14,100)
Audit fees, legal, fees, bank charges, etc.	(45,868)	(35,514)
Staff costs	(736)	(1,730)
	<hr/>	<hr/>
	(98,849)	(1,540,978)
	<hr/>	<hr/>

3 Other financial income

	2022	2021
	DKK	DKK
Miscellaneous Income	25,131	(21,548)
	<hr/>	<hr/>
	25,131	(21,548)
	<hr/>	<hr/>

4 Other financial expenses

	2022	2021
	DKK	DKK
Interest expenses, exchange losses and similar expenses	(1,847)	(84,259)
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	(1,847)	(84,259)
	<hr/>	<hr/>

5 Corporation tax and deferred tax

	2022	2021
	DKK	DKK
Changes in deferred tax	(517)	2,003
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	(517)	2,003
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6 Fixture and fittings, tools and equipment

Computer and office equipment	<u>Total DKK</u>	<u>Total DKK</u>
Cost		
At 1 January 2021	1,385,668	1,385,668
Additions	-	-
Disposals	-	-
At 31 December 2021	<u>1,385,668</u>	<u>1,385,668</u>
At 1 January 2022	1,385,668	1,385,668
Additions	-	-
Disposals	-	-
At 31 December 2022	<u>1,385,668</u>	<u>1,385,668</u>
Accumulated depreciation		
At 1 January 2021	1,364,847	1,364,847
Charge for the year	9,994	9,994
At 31 December 2021	<u>1,374,841</u>	<u>1,374,841</u>
At 1 January 2022	1,374,841	1,374,841
Adjustment	-	-
Charge for the year	9,994	9,994
At 31 December 2022	<u>1,384,835</u>	<u>1,384,835</u>
Carrying amount		
At 1 January 2021	20,821	20,821
Adjustment	-	-
At 31 December 2021	<u>10,827</u>	<u>10,827</u>
At 1 January 2022	10,827	10,827
At 31 December 2022	<u>833</u>	<u>833</u>

7 Equity

	<u>12/31/2022 DKK</u>	<u>12/31/2021 DKK</u>
Retained earnings at 1 January 2022	19,298,765	19,315,030
Transfer from profit/loss for the year	1,834	(16,265)
Retained earnings at 31 December 2022	<u>19,300,599</u>	<u>19,298,765</u>
Equity at 31 December 2022	<u>19,300,599</u>	<u>19,298,765</u>

8 Contractual obligations

The Branch is not subject to guarantee or other commitments other than those usual for industry at balance sheet date.

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