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# *Scandinavian Design & Retail* *A/S*

C/O Solstra Capital Partners A/S, Amaliegade 24, st., DK-1256  
Copenhagen

## Annual Report for 2022

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CVR No. 25 82 11 06

The Annual Report was  
presented and adopted  
at the Annual General  
Meeting of the  
company  
on 30/6 2023

Mette Kapsch  
Chairman of the  
general meeting



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# Management's statement

The Executive Board and Board of Directors have today considered and adopted the Financial Statements of Scandinavian Design & Retail A/S for the financial year 1 January - 31 December 2022.

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 financial position at 31 December 2022 of the Company and of the results of the Company operations for 2022.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Copenhagen, 30 June 2023

## Executive Board

Mette Kapsch  
CEO

## Board of Directors

Henrik Gram  
Chairman

Mette Kapsch

David Robson Overby

# Independent Auditor's report

To the shareholder of Scandinavian Design & Retail A/S

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Scandinavian Design & Retail A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

## 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 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 Financial 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.

## 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.

# Independent Auditor's report

## 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.
- 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.

Hellerup, 30 June 2023

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Torben Jensen

State Authorised Public Accountant

mne18651

Claus Carlsson

State Authorised Public Accountant

mne29461

## Company information

<b>The Company</b>	Scandinavian Design & Retail A/S C/O Solstra Capital Partners A/S Amaliegade 24, st. DK-1256 Copenhagen  CVR No: 25 82 11 06 Financial period: 1 January - 31 December Municipality of reg. office: Copenhagen
<b>Board of Directors</b>	Henrik Gram, chairman Mette Kapsch David Robson Overby
<b>Executive Board</b>	Mette Kapsch
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup

# Management's review

## Key activities

The company's main activity is to conduct business with trade and industry.

## Development in the year

The income statement of the Company for 2022 shows a loss of DKK 49,991, and at 31 December 2022 the balance sheet of the Company shows negative equity of DKK 1,063,675.

In order to ensure the company's future operations, there has been obtained a letter of support from the parent company Solstra Investments A/S. The letter is effective until 1 January 2024.

## Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

## Income statement 1 January - 31 December

	Note	2022	2021
		DKK	DKK
<b>Gross loss</b>		<b>-31,163</b>	<b>-76,748</b>
Staff expenses	2	0	-97
<b>Profit/loss before financial income and expenses</b>		<b>-31,163</b>	<b>-76,845</b>
Financial income	3	914	0
Financial expenses	4	-20,645	-24,220
<b>Profit/loss before tax</b>		<b>-50,894</b>	<b>-101,065</b>
Tax on profit/loss for the year	5	903	2,023
<b>Net profit/loss for the year</b>		<b>-49,991</b>	<b>-99,042</b>

## Distribution of profit

	2022	2021
	DKK	DKK
<b>Proposed distribution of profit</b>		
Retained earnings	-49,991	-99,042
	<b>-49,991</b>	<b>-99,042</b>



## Balance sheet 31 December

### Assets

	<u>Note</u>	<u>2022</u>	<u>2021</u>
		DKK	DKK
Other receivables		4,799	150
<b>Receivables</b>		<u>4,799</u>	<u>150</u>
Cash at bank and in hand		<u>1,070</u>	<u>38,423</u>
Current assets		<u>5,869</u>	<u>38,573</u>
Assets		<u>5,869</u>	<u>38,573</u>

## Balance sheet 31 December

### Liabilities and equity

	Note	2022	2021
		DKK	DKK
Share capital	6	5,000,000	5,000,000
Retained earnings		-6,063,675	-6,013,684
<b>Equity</b>		<b>-1,063,675</b>	<b>-1,013,684</b>
Trade payables		0	48
Payables to group enterprises		928,413	910,926
Other payables		141,131	141,283
<b>Short-term debt</b>		<b>1,069,544</b>	<b>1,052,257</b>
<b>Debt</b>		<b>1,069,544</b>	<b>1,052,257</b>
<b>Liabilities and equity</b>		<b>5,869</b>	<b>38,573</b>
Going concern	1		
Contingent assets, liabilities and other financial obligations	7		
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## Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	5,000,000	-6,013,684	-1,013,684
Net profit/loss for the year	0	-49,991	-49,991
<b>Equity at 31 December</b>	<b>5,000,000</b>	<b>-6,063,675</b>	<b>-1,063,675</b>

# Notes to the Financial Statements

## 1. Going concern

The Company has received a letter of support from the parent company Solstra Investments A/S. The letter is effective until 1 January 2024.

## 2. Staff Expenses

Other staff expenses

	2022	2021
	DKK	DKK
	0	97
	<u>0</u>	<u>97</u>
Average number of employees	<u>0</u>	<u>0</u>

## 3. Financial income

Other financial income

	2022	2021
	DKK	DKK
	914	0
	<u>914</u>	<u>0</u>

## 4. Financial expenses

Interest paid to group enterprises

Other financial expenses

	2022	2021
	DKK	DKK
	20,389	19,979
	256	4,241
	<u>20,645</u>	<u>24,220</u>

## 5. Income tax expense

Current tax for the year

Adjustment of tax concerning previous years

	2022	2021
	DKK	DKK
	-903	-1,050
	0	-973
	<u>-903</u>	<u>-2,023</u>

# Notes to the Financial Statements

## 6. Share capital

The share capital consists of 5,000,000 shares of a nominal value of DKK 1. No shares carry any special rights.

## 7. Contingent assets, liabilities and other financial obligations

### Contingent liabilities

The Solstra Investments A/S Group's Danish companies are jointly and severally liable for tax on the Group's income subject to joint taxation. The total amount is disclosed in the Annual Report of Solstra Investments A/S, which is the administration company for joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

## 8. Related parties and disclosure of consolidated financial statements

### Consolidated Financial Statements

The Company is included in the Group Annual Report of Solstra Investments A/S:

Name	Place of registered office
Solstra Investments A/S	Copenhagen

The Group Annual Report of Solstra Investments A/S may be obtained at the following address:

Solstra Investments A/S  
Amaliegade 24, st.  
DK-1256 Copenhagen C  
Denmark

The Company is included in the Consolidated Financial Statements of the ultimate parent company Solstra Holdings Cyprus Ltd. As a result of the legislation in Cyprus the Consolidated Financial Statements are not published.

# Notes to the Financial Statements

## 9. Accounting policies

The Annual Report of Scandinavian Design & Retail A/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2022 are presented in DKK.

### Recognition and measurement

Revenues are 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.

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.

### Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

### Income statement

#### Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

#### Gross loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of expenses for raw materials and consumables and other external expenses.

#### Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

# Notes to the Financial Statements

## Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

## Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Danish affiliated companies. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

## Balance sheet

### 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.

### Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

### Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.