Solstra Investments A/S

Amaliegade 24, st., DK-1256 Copenhagen K

Annual Report for 2022

CVR No 32 14 71 35

The Annual Report has been presented and adopted at the Annual General Meeting of the Parent Company on 30 June 2023

Mette Kapsch
chairman

Contents

Management's Statement

The Board of Directors and Executive Board have today considered and adopted the Annual Report of Solstra Investments 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 Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Group and the Company and of the results of the Group and Company operations for the financial year 1 January - 31 December 2022.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Parent Company and the Group, of the results for the year and of the financial position of the Group and the Company as well as a description of the most significant risks and elements of uncertainty facing the Group and the Company.

We recommend that the Annual Report be adopted by the Annual General Meeting.

Copenhagen, 30 June 2023

Executive Board

Henrik Gram

Board of Directors

Sanae Zariat Irakleous Chairman	Henrik Gram	Mette Kapsch

Independent Auditor's Report

To the Shareholders of Solstra Investments A/S

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

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Solstra Investments 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, for both the Group and the Parent Company.

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 Group in accordance with the International Ethics Standards Board for Accountants' International 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 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 Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement 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 Consolidated Financial Statements and Parent Company 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 Group's and the Parent 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 Group or the Parent 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 skepticism 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 Group's and the Parent 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 Group's and the Parent 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 Group and the Parent 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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.

Copenhagen, 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

The Parent Company	Solstra Investments A/S c/o Solstra Capital Partners A/S Amaliegade 24, st. DK-1256 Copenhagen K CVR no: 32 14 71 35 Financial period: 1 January - 31 December Financial year: 13th financial year Municipality of reg. office: Copenhagen
Board of Directors	Sanae Zariat Irakleous (Chairman) Henrik Gram Mette Kapsch
Executive Board	Henrik Gram
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup
Consolidated Financial Statements	The Parent Company is included in the Consolidated Financial Statements of Solstra Holdings Cyprus Ltd. As a result of the legislation in Cyprus, the Consolidated Financial Statements are not published and are for filing purposes only.

Management's review

Main activity
Solstra Investment A/S is an investment company primarily focused on the Scandinavian property market.

Development in the year
The Group had a loss in 2022 of DKK 11,510k (DKK 9,723k profit in 2021), and at 31 December 2022 the balance sheet of the Group shows a positive equity of DKK 187,784 (2021: DKK 199,295k).

In Management's opinion, the Group's capital resources, and liquidity are satisfying.

The Group has activities within the production and sale of exclusive chocolate products and ownership of production property.

Management is satisfied with its remaining investments and continues to execute its development plans for the Group. To further support this development, the Group is looking for more relevant expansion and investment opportunities in the Nordic region.

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

Group

	Note	2022 DKK '000	2021 DKK '000
Revenue	2	42,073	40,776
Cost of goods sold		(22,682)	(19,481)
Other external costs		(16,938)	(8,291)
Staff expenses	3	(15,412)	(13,916)
Gross profit		**(12,959)**	**(912)**
Other operating income/expenses, net	4	(1,084)	20,995
Depreciation, amortisation and impairment	5	(1,572)	(2,093)
Profit before financial income and expenses		**(15,615)**	**17,990**
Financial income	6	6,446	3,091
Financial expenses	7	(1,096)	(984)
Profit before tax		**(10,265)**	**20,097**
Tax on profit for the year	8	(1,245)	(2,431)
Profit from continuing operations		**(11,510)**	**17,666**
Profit/Loss from discontinuing activities		0	(7,943)
Net Loss/profit for the year		**(11,510)**	**9,723**
Attributable to			
Equity holders of the Parent Company		(11,510)	10,943
Non-controlling interests		0	(1,220)
		(11,510)	**9,723**

Balance Sheet 31 December - Assets

Group

	Note	2022 DKK '000	2021 DKK '000
Assets			
Non-current assets			
Software	9	145	68
Intangible assets		**145**	**68**
Leasehold improvements	10	735	860
Equipment	11	3,665	1,254
Production properties	12	22,110	22,561
Investment properties		0	63,200
Prepayments for property, plant and equipment		982	0
Tangible assets		**27,492**	**87,875**
Receivables from group enterprises		197,959	0
Other receivables		13,912	19,598
Deposits		108	129
Financial assets		**211,979**	**19,727**
Non-current assets		**239,616**	**107,670**
Inventories	13	6,050	5,469
Trade receivables		4,637	3,427
Receivables from group enterprises		81,271	74,027
Other receivables		21,569	51,318
Cash and cash equivalents		67,984	16,855
Current assets		**181,511**	**151,096**
Total assets		**421,127**	**258,766**

Balance Sheet 31 December – Liabilities and Equity

Group

	Note	2022 DKK '000	2021 DKK '000
Liabilities and equity			
Share capital		100,500	100,500
Retained earnings		87,285	98,795
Equity		**187,785**	**199,295**
Provision for deferred tax		97	1,088
Credit institutions	14	7,758	8,357
Lease liabilities		1,560	0
Deposits from tenants		0	2,185
Provision		197,959	0
Other non-current liabilities		1,038	1,822
Non-current liabilities		**208,412**	**13,452**
Credit institutions	14	8,480	22,758
Lease liabilities		309	0
Trade payables		4,991	5,308
Deposits from tenants		0	379
Other payables		11,150	17,574
Current liabilities		**24,930**	**46,019**
Total liabilities		**233,342**	**59,471**
Total liabilities and equity		**421,127**	**258,766**

Statement of Changes in Equity 1 January – 31 December

Group – controlling interest

	Share capital DKK '000	Retained earnings DKK '000	Proposed dividend for the year DKK '000	Equity DKK '000
At 1 January 2021	100,500	80,919	0	181,419
Net profit for the year	0	10,943	0	10,943
Other comprehensive income for the year	0	6,933	0	6,933
At 31 December 2021	**100,500**	**98,795**	**0**	**199,295**
Net profit for the year	0	(11,510)	0	(11,510)
Other comprehensive income for the year	0	0	0	0
At 31 December 2022	**100,500**	**87,285**	**0**	**187,785**

	2022 DKK '000	**2021** DKK '000
Share capital at 1 January	100,500	100,500
Capital increase	0	0
Share capital at 31 December	**100,500**	**100,500**

The share capital consists of 100,500,002 shares of a nominal value of DKK 1. No shares carry any special rights.

Notes to the Financial Statements

Group

Note 1 – Accounting policies for the Financial Statements

The Annual Report of the Group 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 Annual Report of the Group in 2021 was prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and additional Danish requirements applying to presentation of Annual Reports of large enterprises of reporting class C, cf the Danish Executive Order on Adoption of IFRSs issued pursuant to the Danish Financial Statements Act.

However, since the Company and Group no longer are required to report under the requirement applying for reporting class C, and is not currently expected to be required to do so in the foreseeably future, it has been decided to report as class B.

The change did not have any impact on comparative figures, recognition and measurement, but only on presentation and disclosures.

Solstra Investments A/S is a limited corporation, and its registered office is in Copenhagen, Denmark.

Presentation currency and functional currency

The Annual Report is presented in Danish kroner. The functional currency is Danish kroner.

Translation policies

A functional currency is determined for the enterprise. The functional currency is the currency used in the primary economic environment in which the enterprise operates. Transactions in other currencies than the functional currency are on initial recognition translated to the functional currency at the exchange rates prevailing at the date of the 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 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.

Consolidation policies

The Consolidated Financial Statements comprise the Parent Company Solstra Investments A/S and the underlying subsidiaries Copenhagen Chocolate Factory ApS, CCF Properties ApS, Denmark Terracotta Owner A/S (previously Magillum Avedøre A/S), Scandinavian Design & Retail A/S, Bella Solstra A/S. Denmark Terracotta Owner A/S (previously Magillum Avedøre A/S), were sold on 28 February 2022.

The subsidiaries' financial statements have been prepared in accordance with the same accounting policies as applied by the Parent Company. Where differences between the accounting policy in the subsidiary and the Parent Company have occurred, on top postings have been made to eliminate these differences.

The Consolidated Financial Statements have been prepared based on the financial statements of the individual enterprises by combining items of a uniform nature and subsequently eliminating intercompany income and expenses, shareholdings, dividends as well as realised and unrealised profits and losses on transactions between the consolidated enterprises. Unrealised losses are eliminated in the same way as unrealised profits to the extent that no impairment takes place.

The Parent Company's investments in subsidiaries are set off against the proportionate share of the subsidiary's fair value of identifiable net assets and recognised contingent liabilities at the time of acquisition.

Income statement

Revenue
Revenue consists of sale of goods from retail store and production facility.

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably, and it is probable that the economic benefits relating to the sale will flow to the Company. Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Cost of goods sold
Cost of goods sold comprises costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables, direct labour costs and indirect production costs such as maintenance etc. as well as operation, administration and management of factories.

Value adjustment of investment property
The Group's investment property is measured at fair value and the value adjustments are recognised in the income statement as other operating income/expenses, net.

Other operating income/expenses, net.
Other operating income/expenses comprises income and expenses comprises revaluations of investments, gain/loss in connection with disposals of assets as well as government grants, including compensation received as part of governmental Covid-19 support schemes.

Depreciation and impairment losses
Depreciation of property, plant and equipment is calculated on a straight-line basis based on cost and below assessment of the expected useful lives of the assets:

	Useful life (years)
Production buildings	50
Other fixtures and operating equipment	1-15

Leasehold improvements are depreciated over the remaining lease term. Land and investment property are not depreciated.

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 31,000 are expensed in the year of acquisition.

Depreciation is determined in consideration of the asset's residual value and reduced by any impairment losses. The residual value is determined at the date of acquisition and is assessed annually. If the residual value exceeds the carrying amount of the asset, depreciation ceases. Property, plant and equipment are derecognised on disposal or when no economic benefits are expected to flow to the Group in connection with use or disposal of the asset. Any gains or losses arising on derecognition of the asset (measured as the difference between the net disposal proceeds and the carrying amount of the asset) are recognised in the income statement on derecognition of the asset.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts relating to the financial year. Financial income and expenses comprise interest, dividends, realised exchange adjustments, amortisation of mortgage loans as well as 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 less the portion of tax related to changes in equity. Current and deferred tax attributable to changes in equity is recognised directly in equity. The Group is jointly taxed with group enterprises. The tax effect of the joint taxation is allocated to enterprises showing profits or losses in proportion to their taxable income (full allocation).

Jointly taxed companies which have paid too much tax are compensated as a minimum according to applicable rates for interest reimbursement by the administration company, just as jointly taxed companies with outstanding tax as a maximum pay a charge in accordance with applicable rates for interest charges to the administration company.

Balance sheet

Property and equipment

Property, plant and equipment comprise leasehold improvements, fixtures and operating equipment, property as well as assets in the course of construction.

Leasehold improvements

Leasehold improvements as well as fixtures and operating equipment are measured at original acquisition cost plus subsequent additions less accumulated depreciation and impairment losses. The acquisition cost of combined assets is divided into separate components that are depreciated individually if the useful life of each component varies. Subsequent expenses, e.g. from replacing components in an asset, are recognised in the carrying amount of the asset in question when it is probable that the occurrence of costs will result in future economic benefits for the Group. The replaced components are derecognised in the balance sheet and the carrying amount is transferred to the income statement. All other expenses for ordinary repairs and maintenance are recognised in the income statement as incurred.

An impairment test is carried out regarding leasehold improvements, fixtures and operating equipment if there are indications of impairment. The impairment test is performed for each asset and group of assets, respectively. The assets are written down to the higher of the assets or group of assets' value in use and net selling price (recoverable amount) if this is lower than the carrying amount.

Properties and equipment
Production properties comprise production/logistic facilities. The balance sheet value of properties comprises buildings and related site.

Production properties are initially recognised at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. After initial recognition, properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the period in which they arise.

Other equipment is measured at purchase cost less accumulated depreciation and any accumulated impairment losses. Revaluations or reversals of revaluations less deferred tax concerning production and hotel properties are recognised in other comprehensive income under revaluation reserves. To the extent that an impairment loss on the same revalued asset was previously recognised in profit and loss, a reversal of that impairment loss is also recognised in the profit and loss. Impairment losses at a value below cost are recognised in the income statement. Value adjustment of investment property is recognised as a separate item in the income statement.

Leases
Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Inventories
Inventories are measured at the lower of cost under the FIFO method and net realisable value. The cost of goods for resale, raw materials and consumables equals landed cost. The net realisable value of inventories is calculated as the amount expected to be generated by sale in the process of normal operations with a deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected sales sum. Building plots have been transferred to the fair value at year end.

Receivables
On initial recognition, receivables are measured at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value and subsequently at amortized cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Equity
Proposed dividend is presented as a separate item under equity. Dividend is recognised as a liability at the time of declaration. Purchase and sale of own shares are recognised directly in equity under distributable reserves.

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

Provisions
Provisions are recognised when – in consequence of an event occurred before or on the balance sheet date – the Group has a legal or constructive obligation, and it is probable that economic benefits must be given up settling the obligation.

Taxes payable and deferred tax
Current tax liabilities are recognised on the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account.

Deferred tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts, except for temporary differences arising on the date of acquisition of assets and liabilities and which neither affect profit/loss nor the taxable income.

In cases where the determination of the tax base may be performed based on different taxation rules, deferred tax if measured based on Management's intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognised under long-term assets at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity. Adjustment is made of deferred tax concerning the elimination of unrealised intercompany profits and losses.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Financial debts
Financial debts are recognised initially as the proceeds received net of transaction expenses occurred. Subsequently, interest-bearing debt is measured at an amortised cost determined based on the effective interest rate at the time of borrowing. The remaining debt is measured at amortised cost, corresponding to nominal debt outstanding.

The amortisations from the original loans have been transferred to the new loans together with the new amortised costs and will be amortised over the term of the new loans.

	2022 DKK '000	2021 DKK '000
Note 2 – Revenue		
Sale of services	659	3,673
Sale of goods	41,414	37,103
	43,073	**40,776**
Real estate activities (rent, develop and sale)	659	3,673
Other activities	41,414	37,103

Note 3 – Staff expenses

Wages and salaries	13,885	12,721
Pensions, defined contribution plans	835	749
Social security costs	245	170
Other staff related costs	447	276
	15,412	**13,916**
Average number of employees (2021: exclusive discontinued Activities)	**24**	**23**

The Board of Directors and Executive Board do not receive remuneration.

Note 4 – Other operating income/expenses, net

Adjustment to prior year sales price of subsidiary	(1,084)	0
Fair value adjustment on investment properties	0	20,683
Governmental Covid-19 support schemes	0	274
Others, including gains/losses on sale of tangible assets	0	38
	(1,084)	**20,995**

Note 5 – Depreciation, amortisation and impairment

Software solutions	74	692
Completed development projects	0	108
Leasehold improvements	125	2,859
Equipment	722	9,015
Production properties	451	5,695
Impairment of current assets	200	0
Right-of-use assets	0	33,373
Discontinued activities	0	(49,649)
	1,572	**2,093**

	2022 DKK '000	2021 DKK '000
Note 6 – Financial income		
Interest received from related parties	3,079	2,747
Other financial income	3,367	344
	6,446	**3,091**

Note 7 – Financial expenses

Interest paid to related parties	0	0
Other financial expenses	1,096	984
	1,096	**984**

Note 8 – Tax on profit for the year

Current corporate tax	0	0
Current corporate tax prior years	1,508	0
Change in deferred tax	(120)	(16,580)
Change in deferred tax prior years	(143)	0
	1,245	**(16,580)**
Distributed as follows:		
Income tax expense, continuing operation	1,245	2,431
Income tax expense, discontinuing operation	0	(21,321)
Tax on other comprehensive income	0	2,310
	1,245	**(16,580)**
Profit/loss before tax continuing operations	(10,265)	20,097
Profit/loss before tax discontinuing operations	0	(108,370)
	(10,265)	**(88,273)**

Note 9 – Software

At 1 January	1,376	18,408
Additions	151	36
Disposal – discontinued activities	0	(17,068)
At 31 December	1,527	1,376
Accumulated depreciation and impairment		
At 1 January	1,308	8,606
Depreciation for the year	74	692
Impairment for the year	0	0
Disposal - discontinuing activities	0	(7,990)
At 31 December	1,382	1,308
Carrying amount at 31 December	**145**	**68**

	2022 DKK '000	2021 DKK '000
Note 10 – Leasehold improvements		
At 1 January	4,303	74,529
Additions	0	2,135
Disposals - discontinuing activities	0	(72,361)
At 31 December	4,303	4,303
Accumulated depreciation and impairment		
At 1 January	3,443	21,607
Depreciation for the year	125	2,858
Impairment for the year	0	0
Disposal - discontinuing activities	0	(21,022)
At 31 December	3,568	3,443
Carrying amount at 31 December	**735**	**860**

Note 11 – Equipment		
At 1 January	4,242	208,176
Additions	3,113	18,296
Disposals - discontinuing activities	0	(222,230)
At 31 December	7,375	4,242
Depreciation		
At 1 January	2,988	160,831
Depreciation for the year	722	9,015
Discontinuing operation	0	(166,858)
Depreciation at 31 December	3,710	2,988
Carrying amount at 31 December	**3,665**	**1,254**
Including assets under finance leases amounting to	2,040	0
	2022 DKK '000	**2021** DKK '000

	2022 DKK '000	2021 DKK '000

Note 12 – Production properties

Production facility/Halls/Auditoriums/Meeting facilities

	2022	2021
Costs		
At 1 January	23,756	637,432
Disposals - discontinuing activities	0	(613,676)
At 31 December	23,756	23,756
Revaluation		
At 1 January	0	(280,067)
Disposals - discontinuing activities	0	280,067
At 31 December	0	0
Depreciation		
At 1 January	1,195	293,899
Depreciation	451	5,695
Disposals - discontinuing activities	0	(298,399)
Depreciation at 31 December	1,646	1,195
Carrying amount at 31 December	**22,110**	**22,561**
Difference between carrying amount at 31 December and carrying amount if the revaluation was not entered	0	0

Note 13 – Inventories

	2022	2021
Inventories		
Raw materials and consumables	917	1,019
Work in progress	358	476
Finished goods	4,775	3,974
At 31 December	**6,050**	**5,469**
Cost of sales (from finished goods)	*22,682*	*19,481*

	2022 DKK '000	2021 DKK '000

Note 14 – Collateral

At 31 December, the following assets have been provided as collateral for debt to credit institutions:

Production and investment property, carrying amount	22,110	85,761
	22,110	85,761

Collateral has been provided through the following:		
Nordea Bank	0	15,890
Danske Bank	8,313	8,914
Total	8,313	24,804

Note 15 - Contingent liabilities and other financial obligations

Contingent liabilities
The Danish Group companies are jointly and severally liable for tax of the Group's jointly taxed income etc. The total amount is stated in the Annual Report of the Parent Company, which is the administration company in relation to the joint taxation.

Moreover, the Group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax and tax on unearned income. Any subsequent adjustments of corporation taxes may increase the Parent Company's liability.

Note 16 – Related party transactions
The Group is controlled by intermediate parent company Solstra Holdings Cyprus Ltd, Cyprus.

Related parties are considered to be the Board of Directors, Executive Board and Solstra Investments A/S' subsidiaries as well as Solstra Investments A/S, intermediate and ultimate parent companies (see note K to the Parent Company Financial Statements).

The Group has had transactions with shareholders related to inter-company receivables and payables, the balances are disclosed in the balance. Interests received and paid to Group enterprises are disclosed in the income statement and notes 6 and 7.

Dividends to shareholders are disclosed in the statement of changes in equity.

Income Statement 1 January – 31 December

Parent Company

	Note	2022 DKK '000	2021 DKK '000
Revenue	B	56	516
Other external costs		(7,755)	21
Staff expenses	C	(1)	457
Profit before financial income and expenses		**(7,700)**	**994**
Income from dividend and sale of subsidiaries		40,860	0
Write-down financial assets		(19,500)	(5,000)
Financial income	D	5,969	6,084
Financial expenses	E	(3,393)	(4,156)
Profit before tax		**16,236**	**(2,078)**
Tax on profit for the year	F	(1,492)	41
Net profit for the year		**14,744**	**(2,037)**

Balance Sheet 31 December - Assets

Parent Company

	Note	2022 DKK '000	2021 DKK '000
Assets			
Investment in subsidiaries	G	50	52,404
Receivable from group enterprises		197,959	0
Financial assets		**198,009**	**52,404**
Non-current assets		**198,009**	**52,404**
Receivables from group enterprises		112,887	141,109
Other receivables		16,657	18,637
Cash at bank and in hand		62,594	12,547
Current assets		**192,138**	**172,293**
Total assets		**390,147**	**224,697**

Balance Sheet 31 December – Liabilities and Equity

Parent Company

	Note	2022 DKK '000	2021 DKK '000
Liabilities and equity			
Share capital		100,500	100,500
Retained earnings		85,101	70,357
Equity		**185,601**	**170,857**
Provisions		197,959	0
Non-current liabilities		**197,959**	**0**
Trade payables		60	138
Payables to group enterprises		0	47,087
Other payables		6,527	6,615
Current liabilities		**6,587**	**53,840**
Total liabilities and equity		**390,147**	**224,697**

Statement of Changes in Equity 1 January – 31 December

Parent Company

	Share capital	Retained earnings	Total equity
	DKK '000	DKK '000	DKK '000
At 1 January 2021	100,500	72,394	172,894
Net profit/loss for the year	0	(2,037)	(2,037)
At 31 December 2021	**100,500**	**70,357**	**170,857**
At 1 January 2022	100,500	70,357	170,857
Net profit/loss for the year	0	14,744	14,744
At 31 December 2022	**100,500**	**85,101**	**185,601**

Notes to Financial Statement

Parent Company

Note A – Accounting policies for the Parent Company

Basis of Preparation

The Annual Report of the Parent Company Solstra Investments A/S 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 Annual Report of the Parent Company in 2021 was prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

However, since the Company no longer are required to report under the requirement applying for reporting class C, and is not currently expected to be required to do so in the foreseeably future, it has been decided to report as class B.

The change did not have any impact on comparative figures, recognition and measurement, but only on presentation and disclosures.

The Parent Company is a public limited company, and its registered office is in Copenhagen, Denmark.

The Parent Company Financial Statements for 2022 are presented in DKK thousand.

Tax

Deferred tax is recognised in respect of all temporary differences related to investments in subsidiaries unless the Parent Company is in a position to check when the deferred tax must be realised and when it is probable that the deferred tax crystallises as current tax within a foreseeable future.

There is no deferred tax related to investments in associates where both dividends from the company as well as gains and losses from a potential sale of the investment are tax exempt.

The Parent Company is jointly taxed with all Danish consolidated enterprises and functions as administration company for the jointly taxed enterprises. The Group has limited and secondary liability for payment of corporation tax from the tax year 2020 as well as for tax at source on interest and dividend. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes. The total tax payable in the jointly taxed enterprises is presented as tax payable in the Parent Company whereas joint taxation contributions from subsidiaries are presented as receivables.

Balances subject to the rules on limited interest deduction under the Danish Corporation Tax Act have been distributed between the jointly taxed enterprises according to the entered joint taxation agreement.

Deferred tax liabilities in respect of these balances are recognised in the balance sheet while deferred tax assets only are recognised if the criteria for recognition of deferred tax assets are met.

Recoverable amounts of investments in subsidiaries

Each subsidiary is considered a separate cash generating unit. If there is an indication that the carrying amount (cost) of an investment in a subsidiary is impaired, the impairment will be based on determination of the value in use of the subsidiary in question.

It is considered an indication of impairment if the dividends distributed exceed the subsidiary's comprehensive income in the period in which the dividend is distributed.

Recognition and measurement

Revenue 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, 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 Group, 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 Group, 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.

Translation policies

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.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Business combinations

The carrying value method is used in connection with intercompany business combinations. Therefore, the uniting of interests is deemed to have taken place at the time of acquisition at the carrying amounts. No adjustment of comparative figures is made.

The difference between the agreed consideration and the accounting equity value in the acquired company is recognised in equity.

Income statement

Revenue

Revenue is recognised in the income statement when earned.
Income from the rendering of services, is recognised as revenue as the services are rendered, implying that revenue corresponds to the market value of the services rendered in the year.

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

Other external expenses
Other external expenses comprise the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases etc.

Staff expenses
Staff expenses comprise wages and salaries as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Other operating income, net
Other operating income comprise items of a secondary nature to the core activities of the enterprise, including earn-out payments from prior year's business combinations.

Financial income and expenses
Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

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 the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Parent Company is jointly taxed with Danish affiliated companies. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

Investments in subsidiaries
Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

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.

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

Provisions
Provisions are recognised when – in consequence of an event occurred before or on the balance sheet date – the Parent Company has a legal or constructive obligations and it is probable that economic benefits must be given up to settle the obligation.

Current tax
Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on account taxation scheme are recognised in the income statement in financial income and expenses.

Note B – Revenue
Revenue comprises management fee income in Denmark.

	2022 DKK '000	2021 DKK '000
Note C – Staff expenses		
Wages and salaries	0	(461)
Other social security costs	1	4
	1	**(457)**

Note D – Financial income

Interest received from Group enterprises	5,963	6,084
Other financial income	6	0
	5,969	**6,084**

Note E – Financial expenses

Impairment losses on receivables	3,080	2,943
Interest paid to Group enterprises	162	1,054
Other financial expenses	151	159
	3,394	**4,156**

Note F – Tax on profit for the year

Tax on profit	407	83
Adjustment of previous years	(1,899)	(42)
	(1,492)	**41**

Note G – Investments in subsidiaries

Cost at 1 January	300,535	300,535
Disposal	(52,354)	0
Additions for the year	19,500	0
Cost at 31 December	**267,681**	**300,535**
Impairment at 1 January	248,131	243,131
Impairment	19,500	5,000
Value adjustments at 31 December	**267,631**	**248,131**
Carrying amount at 31 December	**50**	**52,404**

Investments in subsidiaries 31 December 2022 are specified as follows:

	Share capital	Votes and ownership	Equity	Net profit/loss for the year
	DKK ’000		DKK ’000	DKK ’000
Name/place of registered office				
Bella Solstra A/S	163,964	100%	(73,489)	(425)
Scandinavian Design & Retail A/S	5,000	100%	(1,064)	(50)
Copenhagen Chocolate Factory ApS	126	100%	(6,157)	(9,019)
CCF Properties ApS	50	100%	6,613	(1,267)

Note H – Equity

The share capital consists of 100,500,002 shares of a nominal value of DKK 1. No shares carry any special rights.

Note I – Proposed distribution of profit

	2022	2021
	DKK ‘000	DKK ‘000
Retained earnings	14,744	(2,032)
	14,744	**(2,032)**

Note J – Contingent liabilities

The Parent Company has issued letters of support and subordination in favour of external creditors for Bella Solstra A/S, Scandinavian Design & Retail A/S, Copenhagen Chocolate Factory ApS and CCF Properties ApS. The letters are applicable until 1 January 2024.

Joint Taxation

The Danish Group companies are jointly and severally liable for tax of the Group’s jointly taxed income etc. The Parent Company is the administration company for the joint taxation purposes.

Moreover, the Group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax and tax on unearned income. Any subsequent adjustments of corporation taxes may increase the Parent Company’s liability.

Guarantee obligations

The Company has issued a guarantee toward Danske Bank for the Copenhagen Chocolate Factory credit facility up to DKK 10 million.

Note K – Related parties and ownership

Controlling interest	**Basis**
Alshair Fiyaz, Monaco	Ultimate owner
ALFI Mark Trust, Liechtenstein	Ultimate parent company
Markerina Investments Ltd., Cyprus	Intermediate parent company
Solstra Holdings Cyprus Ltd., Cyprus	Intermediate parent company

Ownership

The following shareholders are recorded in the Parent Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

Solstra Holdings Cyprus Ltd., Cyprus.

Transactions

The Parent Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.