



P & P Holdings A/S

Ryesgade 19 C
2200 København N
CVR No. 32325807

Annual report 2023

The Annual General Meeting adopted the annual report on 16.05.2024

Peter Sextus Rasmussen
Chairman of the General Meeting

Contents

Entity details	2
Statement by Management on the annual report	3
Independent auditor's report	4
Management commentary	7
Consolidated income statement for 2023	18
Consolidated balance sheet at 31.12.2023	19
Consolidated statement of changes in equity for 2023	21
Consolidated cash flow statement for 2023	22
Notes to consolidated financial statements	24
Parent income statement for 2023	31
Parent balance sheet at 31.12.2023	32
Parent statement of changes in equity for 2023	34
Notes to parent financial statements	35
Accounting policies	38

Entity details

Entity

P & P Holdings A/S

Ryesgade 19 C

2200 København N

Business Registration No.: 32325807

Registered office: København

Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Kira Rasmussen, chairman

Peter Sextus Rasmussen

Frederik Sextus Rasmussen

Executive Board

Peter Sextus Rasmussen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of P & P Holdings A/S for the financial year 01.01.2023 - 31.12.2023.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2023 - 31.12.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 16.05.2024

Executive Board

Peter Sextus Rasmussen

Board of Directors

Kira Rasmussen
chairman

Peter Sextus Rasmussen

Frederik Sextus Rasmussen

Independent auditor's report

To the shareholders of P & P Holdings A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of P & P Holdings A/S for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 consolidated financial statements and the parent financial statements" section of this auditor's 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 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.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent 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 consolidated financial statements and the parent 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 Entity'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 consolidated financial statements and the parent 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 Entity'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 consolidated financial statements and the parent 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent 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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Copenhagen, 16.05.2024

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Bjørn Winkler Jakobsen

State Authorised Public Accountant

Identification No (MNE) mne32127

Hans Tauby

State Authorised Public Accountant

Identification No (MNE) mne44339

Management commentary

Financial highlights

	2023	2022	2021	2020	2019
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Revenue	668,888	726,022	668,541	592,852	749,426
Gross profit/loss	196,057	211,492	239,103	155,222	231,135
Operating profit/loss	39,013	63,225	90,067	(11,119)	42,112
Net financials	773	(483)	(8,609)	2,505	1,328
Profit/loss for the year	31,811	47,684	63,753	7,976	40,148
Balance sheet total	209,047	267,906	292,478	214,110	273,260
Investments in property, plant and equipment	6,257	6,841	5,253	8,578	23,158
Equity	148,175	154,056	148,527	94,909	99,347
Cash flows from operating activities	22,781	3,564	109,961	77,528	50,447
Cash flows from investing activities	(5,709)	(10,334)	(7,621)	(9,839)	(34,012)
Cash flows from financing activities	(40,000)	(42,460)	(15,826)	(60,866)	(25,414)
Average number of employees	317	337	288	336	428
Ratios					
Gross margin (%)	29.31	29.13	35.76	26.18	30.84
Net margin (%)	4.76	6.57	9.54	1.35	5.36
Return on equity (%)	21.05	31.52	52.38	8.21	41.10
Equity ratio (%)	70.88	57.50	50.78	44.33	36.36

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Gross margin (%):

$\frac{\text{Gross profit/loss} * 100}{\text{Revenue}}$

Net margin (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Revenue}}$

Return on equity (%):

Profit/loss for the year * 100

Average equity

Equity ratio (%):

Equity * 100

Balance sheet total

Primary activities

The Groups primary activities is to design, produce, market and sell clothing and accessories.

Development in activities and finances

The Groups income statement for 2023 shows a profit of DKK 31,811k and the Groups balance sheet as of 31 December 2023 shows equity of DKK 148,175k.

Profit/loss for the year in relation to expected developments

The outlook in 2022 was to have an increase in the activity and profit of the year due to optimization of the business both domestically and abroad.

The activity (revenue) and profit for the year has not met the expectations due to macroeconomical conditions, such as changed buyer behaviour, increasing interest rates and shipping costs.

Uncertainty relating to recognition and measurement

There has been no uncertainty relating to recognition and measurement in the annual report.

Outlook

The digitalization strategy are starting to show results, our digitalization will continue in 2024 and expect to have a higher impact in 2024. Therefore the management expect an increase in the activity and profit of the year due to optimization of the business both domestically and abroad.

The expected revenue is in the range DKK 670.000k and DKK 690.000k, while the expected profit of the year is in the range DKK 33.000k and DKK 40.000k.

Use of financial instruments

Market risks

It is the Group Management's opinion that the market is facing a greater focus in relation to the environmental impact and upcoming regulation in the industry, the management is aware of this and will continue their focus on minimizing the environmental impact.

Currency risks

Import of goods mainly take place in EUR and USD. The management has entered into currency hedging for the majority of total imports. An increase in USD and EUR will affect the company's result in a negative direction.

Interest rate risks

The net interest-bearing debt is not a significant amount. An increase in the interest rate will therefore not be expected to significantly affect the Groups results.

No positions are entered into to hedge interest rate risks.

Statutory report on corporate social responsibility

Accountability is a fundamental principle behind P & P Holdings A/S (hereinafter the Group).

Samsøe Samsøe is a Danish fashion brand founded in 1993 and known for its Scandinavian-inspired clothing for men and women. The brand operates a wholesale, retail and e-commerce business model and is active in more than 40 countries and has 45 own stores, with its head office being in Copenhagen.

We believe that our fundamental responsibility is to create quality products that our customers will appreciate for many years to come and that we can be proud of. This includes taking responsibility for the social and environmental challenges of our products, their production as well as our culture and practices as an organization. Main risks for Samsøe Samsøe, being a fashion brand with a global value chain are considered as follows; Climate-related risks to suppliers and partners, resource shortages, geopolitical insecurities, logistical challenges and human rights risks within the supply chain. These challenges are continuously reviewed and monitored by the CSR department and executive management – and incorporated in the groups CSR strategy.

Governance

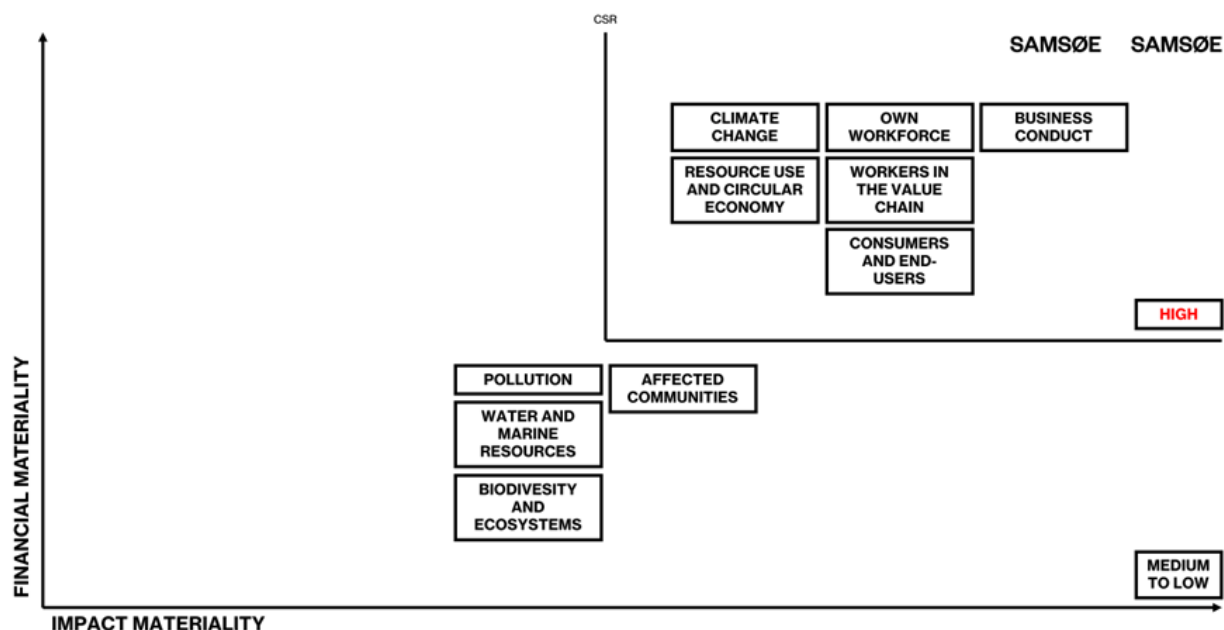
The CSR department sits within our Product department, working closely with our Production, Design, Logistics departments – as well as Finance, Business development and HR on more strategic projects to manage the CSR roadmap. The CSR manager reports to the Head of Product and shares continuous direct updates. Furthermore, Leadership is updated of CSR topics through leadership meetings. To ensure effective implementation of the CSR strategy, the CSR manager works closely with other departments, who have allocated direct resources to the topic. As collaboration and knowledge sharing are key in sustainability, The Group has been a part of the Danish Fashion & Textile (DM&T) network group – as well as participating in project organised by Lifecycle & Design Cluster (L&DC).

The Samsøe Samsøe CSR strategy and work is centred on 3 key pillars; Governance, Planet and People – with a core focus on material sustainability, traceability, supply chain accountability, and circularity.
www.samsoe.com/en/csr-overview.html

Risk management

In 2023 we have further embedded our strategy in the organisation, preparing the framework that will support our business in delivering its first CSR report for the Corporate Sustainability Reporting Directive (CSRD) for the financial year 2025. In 2023, we conducted an initial Materiality Assessment, conducted using desk research and readily available industry best-practices. The risks identified for Samsøe Samsøe are consistent with risks that have previously been considered relevant; Climate-related risks to suppliers and partners, resource and material shortages, geopolitical insecurities, logistical challenges due to supply chain disruptions.

The topics considered most material to Samsøe Samsøe, in relation to upcoming sustainability legislation, are outlined in the illustration on next page:



These topics are cemented as a focus within our sustainability strategy to be considered and addressed. The actions taken and ambitions to mitigate risks related to these topics are outlined in this annual statement. Topics that are not addressed or covered extensively will be thoroughly reviewed as we establish our five-year sustainability strategy, in compliance to the CSRD, in the coming year.

Planet

We believe in doing business in a way that focusses on respecting planetary boundaries, reducing our impact and regenerating ecosystems.

Environmental Footprint

In recent years have taken important steps towards reducing the impact from our own operations, including switching to renewable energy through green certificates and electrifying our car fleet. Our 2022 Footprint calculation showed us indirect emissions value chain emissions make up the largest part of our carbon footprint, as common in the fashion industry. In 2023 we have continued to progress on our initiatives related to the sourcing of materials and our means of transportation, to further lower our environmental footprint in the most significant area of impact. Taken further steps in our Climate Strategy by making it measure and actionable, in 2024 we will start a partnership with Carbon Fact, a climate software solution – to calculate and report over our product footprints in accordance to PEF, and report over Scope 1,2,3 emissions in accordance with the GHG protocol.

Environmental Risk mitigation

We are dedicated to mitigating the risks outlined in our materiality assessment by carefully sourcing more sustainable materials, optimizing our production methods, and partnering with suppliers who share our commitment responsible practices. To guide our environmental sustainability work, Samsøe Samsøe has the following policies in place:

Climate Change Policy

Our Climate Change Policy outlines our goal of aligning our climate targets with the Science-based Targets Initiative, reducing emissions in line with the Paris Agreement goals of limiting global warming to well-below 2°C compared to pre-industrial levels and pursuing efforts towards 1.5°C.

Our Climate Change policy will be revised in 2024 as we set a baseline for financial year 2024, using a third-party verified methodology.

Environmental Policy

Our environmental policy outlines the expectations of supplier collaboration – and is included as part of our Code of Conduct. It outlines and engages our suppliers to adopt more responsible practices, introduces our Materials Strategy and sourcing requirements, chemical usage, as well as aspirations for our partners to report on their resource usage and waste reporting.

Chemical Policy and Restricted Substance List

Our Chemical Policy & Restricted Substance List is a part of our Code of Conduct and outlines the requirements to our suppliers to adhere to national and EU legislation and to comply with REACH/SVHC. With this policy, we introduce our specific Restricted Substance List (RSL), which outlines limitations and prohibition of substances in all products manufactured for Samsøe Samsøe. Our RSL, developed by the AFIRM Group, aims to guide and assist supply chain partners seeking to increase product quality and safety and reduce their environmental impact by limiting the use of certain substances in apparel, footwear, accessories, other textile products, and packaging materials.

Materials

In 2023, supply chain and economic factors further challenged our CSR commitments as the market continued to be volatile. This did not prevent us from reaching our targets for sourcing more responsible materials.

In 2023, 88% of all materials used were classified as more responsible according to our Materials Strategy. This is up from 82% in 2024 and brings us a step closer in reaching 100% more Responsible materials by 2024.

The percentage of recycled materials used in 23% of our total material consumption, of which 53% is full-chain GRS certified.

As we approach our initial 2024 target of achieving 100% more responsible material use by 2024, our Materials Strategy will be revised in the coming year, and the goalposts will be moved to further raise our ambitions in line with industry standards.

Our 2023 materials strategy can be found here:
www.samsøe.com/da-DK/material_strategy.html

Product impact

In 2023 we continued our annual partnership with DTU, by partnering with two groups of master students, to conduct LCA (Life Cycle Assessment) studies of two of our key styles. These studies concluded that roughly 70% of our products' impact lies within the raw material stage of the manufacturing process, reiterating the importance of an ambitious materials strategy. To further understand the impact of our products and supply chain, we will commence a partnership with a verified carbon management platform. In collaboration with this partner, we intend to set verified science-based reduction targets, enabling us to align our actions with a trajectory that is compliant with the latest climate science.

Circularity

Circularity is an integral part of our CSR strategy; we aim to design for the full life cycle of a garment with the intention of reducing, enabling repair, reuse and recycling throughout our interactions with the customer. The systems of the fashion industry are not yet set up to support circularity at scale, but we as a business have the

opportunity to support in shaping the solutions. For this reason, Samsøe Samsøe participated in the TRACE project in 2023. TRACE is a multi-stakeholder initiative initiated by Lifestyle and Design Cluster and brings together academics, industry and solution providers, to advance the transition towards the circular economy.

Our design and production teams continue to progress on our circularity targets. A key focus for the department has been the reduction of fibre uses per composition, as blended materials significantly increase the impact at the end-of-life, as it limits textile-to-textile recycling.

The share of mono fibre materials increased from 36% (2022) to 43% in 2023.

In 2024, we will continue to support our team by strengthening our design principles for circularity. In doing so, we aim to approach circularity from a full garment's perspective, moving beyond shell materials, and considering finishing and trims as an integral part of a product's impact.

Furthermore, we have partnered with resale platform TISE on a pilot project to review opportunities for Samsøe Samsøe to scale the resale market and integrate resale as in future business models. We took great learnings from this initial project and aim to continue and scale circularity projects in 2024.

People

We strive to create a culture of transparency, collaboration and accountability in our vision of social responsibility within our complete value chain.

Social Risk mitigation

The most material topics for Samsøe Samsøe related to social responsibility are Own Workforce, Workers in the Value Chain and Consumers. The risks associated with these are identified as follows; labour rights violation, supply chain transparency and ethical sourcing. Within our own operations this extends to employee well-being, adequate diversity and inclusion practices, as well as anti-corruption and employee development. By prioritizing fair labor practices, fostering diversity and inclusion within our workforce, and engaging our employees throughout continuous feedback loops, we strive to uphold ethical standards throughout our operations. Through transparent communication and proactive measures, we aim to safeguard the well-being and dignity of all individuals involved in our entire value chain, reinforcing our commitment to social responsibility and ethical conduct. In 2024, we will continue to solidify the above in our due diligence procedures, as an integral part of our 5-year strategy.

Social responsibility

We recognize that several of the most serious human rights and sustainable development risks are associated with our procurement practices and supplier management. Therefore, we primarily work with suppliers in long-term partnerships and aim to only work with suppliers who share our ambitions for transparent and ethical business operations, including respect for human rights and protection against child labour and modern slavery, as described in our Code of Conduct and various policies.

In 2023, we continued to strengthen our Due Diligence procedures to ensure our supply chain partners meet our standards for social accountability to ensure that those working in the factory have a safe and healthy working environment, are compensated fairly and are treated with respect. To ensure compliance with our Code of Conduct, as well as various policies, regular audits are carried out by third-party compliance bodies that check facilities according to international standards, where we only approve BSCI, SMETA, WRAP, ISO, or SA 8000.

In 2023, we ensured that 82% of the sewing factories that our suppliers have used for orders throughout the year

underwent third-party verified audits. We prioritize ensuring that our strategic suppliers, consisting of A and B suppliers, who currently account for over 81% of our production volume, are in full compliance. In 2023, 87,50% of strategic suppliers (A+B) were audited against relevant social standards.

We collect audit reports annually as part of our due diligence process and maintain an ongoing dialogue on corrective actions. To decrease audit-fatigue with our partners, we accept existing third-party validated audit reports.

	2022	2023
Percentage of Tier 1 suppliers (garment manufacturers) that went through third-party audits (BSCI, SMETA, ISO9001)	62%	82%
Percentage of Tier 1 suppliers (garment manufacturers) used by our strategic suppliers that went through third-party audits	94%	87%

*The percentage decrease observed compared to 2022 is a result of optimized data structures, an increase in Garment manufactures as we work to diversify production locations - and an increase in traceability in our supply chain.

Samsøe Samsøe has the following policies in place, to outline our standards for social responsibility within our supply chain:

Code of Conduct

Our Code of Conduct outlines the ethics and behaviour that Samsøe Samsøe wishes to promote and uphold throughout our value chain. It is directed at any partner, supplier and subcontractors who manufacture products for Samsøe Samsøe. Our Code of Conduct is based on the general principles of the UN Global Compact and is aligned with the UN Guiding Principles on Business Conduct and Human Rights (UNGPs). The Code of Conduct is mandatory for all Group business partners who provide goods and/or services, act on behalf of, or have other forms of cooperation with, the Group, such as suppliers, sellers, consultants, landlords, agents, service providers and other organisations.

Human rights policy

Our Human Rights Policy outlines our expectation of our partners to meet and uphold the standards laid out in our Code Of Conduct. We respect and uphold all human rights stated in the International Bill of Human Rights, including the labour rights expressed by the International Labour Law (ILO), and recognise the “protect, respect and remedy” framework outlined by the UN Guiding Principles on Business and Human Rights. As part of our Code of Conduct and supporting policies, we require all partners to respect human rights and labour rights.

Read more on: www.samsoe.com/en/human_rights.html

Anti-corruption policy

The Code of Conduct is mandatory for all Group business partners who provide goods and/or services, act on behalf of, or have other forms of cooperation with, the Group, such as suppliers, sellers, consultants, landlords, agents, service providers and other organisations.

As a company, we do not consider the risk of corruption in Denmark to be significant, but as we do business with partners located in high-risk countries, our anti-corruption policy describes that we have a responsibility to ensure that all employees and suppliers agree that the Group does not accept corruption.

Our policy in this area has been sent out to our employees and sent for signature to all suppliers. In parallel, we are working on internal material to help ensure that all new employees are trained in this policy. In 2023, we have not received any reports regarding suspected corruption.

In 2024, we plan to continue the implemented policy and continuously update the anti-corruption policy in accordance with the rules in force at any given time.

Read more on: www.samsøe.com/da-DK/anti_corruption.html

Child-labour policy

The child labour policy is a part of a mandatory Code of Conduct for Tier 1 partners of Samsøe Samsøe and applies to all countries and territories where our company and partners operate.

The policy outlines our definition of child-labour and expectation of our partners within our value chain to respect our adherence to the International Labour.

Read more on: www.samsøe.com/en/child_labour.html

We highly value our partnerships and some supplier relationships were established more than fifteen years ago. Moving beyond the manufacturing of the garment, we aim to have 100% visibility of our supply chain, down to dyeing, fabric manufacturing and raw material.

In 2023, we had visibility over:

- 100% of garment manufacturing (Tier 1)
- 96 visibility over the dye houses and finishing facilities (Tier 2), up from 91% in 2022.
- 96% visibility over our fabric mills (Tier 3), up from 88% in 2022.
- 32% over raw material suppliers (Tier 4), up from 19% in 2022.

Corporate culture

In 2023, Samsøe Samsøe employed 514 people across our operating countries. We consider our people and teams to be integral to the success of the brand. As a growing company with international aspirations, we depend on a collaborative and inclusive culture across offices and business levels and pride ourselves for having a flat corporate structure. By our definition, this means we strive to create a culture where people feel a sense of belonging and can experience a collaborative way of working, as we believe this creates a collective sense of ownership. In 2023, we continued to grow an international workforce, with one out of two hires being not native to the country of employment. Furthermore, we further built on improving our employee experience and engagement initiatives, ensuring employees experience a supportive and healthy working environment. One of the key initiatives launched in 2023 has been the improved onboarding experience – as well as creating of an engaging corporate culture agenda, featuring sports, cultural and community engagement activities for our teams.

It is a prerequisite for the Group's success to be able to offer a workplace without negative impact on health and safety, as well as to ensure a general well-being among our employees. We therefore work dedicatedly to create and maintain a safe, healthy environment and work actively to prevent and avoid workplace injuries and absenteeism.

Samsøe Samsøe has the following internal policies in place, related to our Workforce management:

Company handbook

Our company handbook encompasses our company values and outlines key practices related to HR procedures,

as well as a due diligence statement related to the risks outlined in relation to our Workforce.

Thrivability policy

In partnership with Velliv, our pension partner – our HR department has created a thrivability policy which outlines are procedures for stress prevention and maintainance of a healthy work-life balance.

Equality and diversity policy

The Equality Diversity and Inclusion Policy outlines our commitment to maintaining an equal and inclusive culture built on the right to non-discrimination based on race, ethnicity, nationality, age, gender identity, sexual orientation, religion, disability, or any other parameters that matter to our employees or could cause discrimination.

Read more on: www.samsoe.com/en/equalityanddiversitypolicy.html

Statutory report on the underrepresented gender

	2023	2022
Supreme management body		
Total number of members	4	4
Underrepresented gender (%)	25.00	50.00
Target figures (%)	33.34	33.34
Year of expected achievement of target figures	2024	2024

To reach our target goals for the gender diversity in the board, we have decided from 2024 to change the structure of the board, the board will from 2024 consist of two men, and one woman, making 33% female.

We aim foster a diverse and inclusive culture, including diversity of gender, age, nationality and ethnicity.

Our current reporting includes gender only and shall be extended to include the above mentioned parameters in 2024, for internal reporting purposes to support our strategy.

Being a company with a strong legacy dating back more than 20 years, and average retention rate of 3,67 within our HQ team, maintaining balanced and experienced management teams is key to our day-to-day success.

We constantly review the balance of gender and representation in the management and the numbers presented below are reviewed by the board. The management teams of the company are built on seniority and retention.

	2023	2022
Other management levels		
Total number of members	19	19
Underrepresented gender (%)	47.00	47.00

The above table describes the gender split between male and female in other management layers, this consists of the leadership and operational management team of our Head Office.

There were no significant changes reported in the 2023 financial year, in the operational management team. We aim to remain a balanced gender ratio across the organisation, including the operational management layer.

In 2023, we had an equal gender distribution in other management levels.

The Leadership team has been consistent in the last years, in 2023 two females have left the company who were part of the leadership team. After these departures, structural changes were made to the middle management of these department, for which reason the roles were not replaced. Since this changes the gender split of the leadership team, it has been agreed that the next additional should ideally be female.

The leadership team of the company is built on seniority and retention. The above table describes the gender split in the leadership team at the end of 2023.

Statutory report on data ethics policy

Ethical rules regarding data collection and data processing are a central part of the group's business operations. In the group's effort to always deliver the best customer service and user experience some degree of data collection and data processing is necessary. How and when data is collected, processed and used and which employees and actors have access to this data are all elements, which the group takes seriously in relation to data ethics.

In order to offer the best customer service and the most relevant information, the used personal data is name, address and email addresses with the option of more parameters to be able to deliver products that is ordered from the group's websites in addition to a collection of purchase history for optimized service.

Next, we work with a number of companies that store and process data. These companies are exclusively data processors on behalf of the group and may not use data for their own purposes or for other purposes than in the processing of data for the group's business purposes. Data processing companies, which the group cooperates with, is exclusively located in the EU or in countries that can provide the equivalent information sufficient security.

The Group is not engaged in any kind of sale of personal data to third parties and does not store information relating to means of payment, such as card numbers, bank account numbers or such. The group also respects all requests of confidentiality of personal data that a user may submit on the group's platforms. The group is also aware of the need for appropriate protection and proper data processing of all personal data in accordance with the EU GDPR and therefore registers and processes personal data in accordance with the relevant regulations applicable at all times.

All use of data across the entire group must always be able to be explained and defended, and therefore they are ethical considerations part of the process when investing in new technology to ensure that all technology that is implemented, supports sound data ethics.

Read more here:

<https://www.samsøe.com/en/questions/privacy-cookies.html>

<https://www.samsøe.com/en/questions/cookie-policy.html>

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Consolidated income statement for 2023

	Notes	2023 DKK	2022 DKK
Revenue	2	668,887,865	726,022,368
Other operating income	3	3,600,214	4,155,363
Cost of sales		(306,022,592)	(340,216,394)
Other external expenses	4	(170,408,583)	(178,469,741)
Gross profit/loss		196,056,904	211,491,596
Staff costs	5	(148,253,865)	(137,250,003)
Depreciation, amortisation and impairment losses	6	(8,789,826)	(8,708,036)
Other operating expenses		0	(2,308,486)
Operating profit/loss		39,013,213	63,225,071
Other financial income	7	16,296,954	6,811,432
Other financial expenses	8	(15,524,229)	(7,294,657)
Profit/loss before tax		39,785,938	62,741,846
Tax on profit/loss for the year	9	(7,974,690)	(15,057,697)
Profit/loss for the year	10	31,811,248	47,684,149

Consolidated balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Goodwill		1,542,575	1,935,036
Intangible assets	11	1,542,575	1,935,036
Other fixtures and fittings, tools and equipment		1,361,768	20,889,205
Leasehold improvements		15,431,917	0
Property, plant and equipment	12	16,793,685	20,889,205
Other investments		0	400,000
Deposits		12,292,723	11,001,409
Financial assets	13	12,292,723	11,401,409
Fixed assets		30,628,983	34,225,650
Manufactured goods and goods for resale		95,191,197	120,544,960
Inventories		95,191,197	120,544,960
Trade receivables		44,578,525	52,934,978
Deferred tax	14	7,505,601	6,479,233
Other receivables		278,260	971,273
Prepayments	15	2,166,377	1,400,921
Receivables		54,528,763	61,786,405
Cash		28,698,070	51,348,883
Current assets		178,418,030	233,680,248
Assets		209,047,013	267,905,898

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital	16	500,000	500,000
Retained earnings		115,864,160	153,556,425
Proposed dividend for the financial year		31,811,248	0
Equity		148,175,408	154,056,425
Other provisions	17	2,137,783	4,485,527
Provisions		2,137,783	4,485,527
Trade payables		32,022,639	74,422,389
Tax payable		3,314,177	15,740,948
Other payables		23,397,006	17,683,732
Deferred income	18	0	1,516,877
Current liabilities other than provisions		58,733,822	109,363,946
Liabilities other than provisions		58,733,822	109,363,946
Equity and liabilities		209,047,013	267,905,898
Events after the balance sheet date	1		
Financial instruments	20		
Unrecognised rental and lease commitments	21		
Assets charged and collateral	22		
Transactions with related parties	23		
Subsidiaries	24		

Consolidated statement of changes in equity for 2023

	Contributed capital DKK	Retained earnings DKK	Proposed dividend for the financial year DKK	Total DKK
Equity beginning of year	500,000	153,556,425	0	154,056,425
Extraordinary dividend paid	0	(40,000,000)	0	(40,000,000)
Exchange rate adjustments	0	65,394	0	65,394
Value adjustments	0	2,146,186	0	2,146,186
Other entries on equity	0	96,155	0	96,155
Profit/loss for the year	0	0	31,811,248	31,811,248
Equity end of year	500,000	115,864,160	31,811,248	148,175,408

Consolidated cash flow statement for 2023

	Notes	2023 DKK	2022 DKK
Operating profit/loss		39,013,213	63,225,071
Amortisation, depreciation and impairment losses		8,789,826	8,708,036
Working capital changes	19	(4,367,138)	(46,307,549)
Other adjustments		0	(5,301,029)
Cash flow from ordinary operating activities		43,435,901	20,324,529
Financial income received		16,296,954	6,811,432
Financial expenses paid		(15,524,229)	(7,135,389)
Taxes refunded/(paid)		(21,427,829)	(16,436,365)
Cash flows from operating activities		22,780,797	3,564,207
Acquisition etc. of intangible assets		0	(1,907,427)
Acquisition etc. of property, plant and equipment		(6,257,418)	(6,840,911)
Sale of property, plant and equipment		1,839,398	0
Acquisition of fixed asset investments		(1,291,314)	(1,585,856)
Cash flows from investing activities		(5,709,334)	(10,334,194)
Free cash flows generated from operations and investments before financing		17,071,463	(6,769,987)
Repayment of lease liabilities		0	(73,430)
Dividend paid		(40,000,000)	(40,000,000)
Other equity adjustments		0	(2,386,337)
Cash flows from financing activities		(40,000,000)	(42,459,767)
Increase/decrease in cash and cash equivalents		(22,928,537)	(49,229,754)

Cash and cash equivalents beginning of year	51,348,883	100,578,637
Currency translation adjustments of cash and cash equivalents	277,724	0
Cash and cash equivalents end of year	28,698,070	51,348,883

Cash and cash equivalents at year-end are composed of:

Cash	28,698,070	51,348,883
Cash and cash equivalents end of year	28,698,070	51,348,883

Notes to consolidated financial statements

1 Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

2 Revenue

	2023 DKK	2022 DKK
Denmark	158,558,894	191,910,939
Other countries	510,328,971	534,111,429
Total revenue by geographical market	668,887,865	726,022,368

The Group's revenue is disclosed by geographical markets. The Group's activities consists of one business segment why the revenue is only disclosed by geographical markets. The segment information is consistent with the Group's applied accounting policies, risks and internal controlling.

3 Other operating income

In 2022, a total of DKK 2,966,108 was recognized in other operating income that relates to compensation schemes from the government. No government compensation was received in 2023.

4 Fees to the auditor appointed by the Annual General Meeting

	2023 DKK	2022 DKK
Statutory audit services	711,136	850,000
Other assurance engagements	353,530	0
Tax services	124,670	310,000
Other services	144,000	690,000
	1,333,336	1,850,000

The auditor appointed by the Annual General Meeting was PwC in 2022, while Deloitte was chosen in 2023.

5 Staff costs

	2023	2022
	DKK	DKK
Wages and salaries	128,886,644	118,180,625
Pension costs	2,683,284	2,226,784
Other social security costs	11,276,430	10,578,227
Other staff costs	5,407,507	6,264,367
	148,253,865	137,250,003
Average number of full-time employees	317	337

	Remuneration of management 2023 DKK	Remuneration of management 2022 DKK
Total amount for management categories	5,166,978	5,343,921
	5,166,978	5,343,921

6 Depreciation, amortisation and impairment losses

	2023	2022
	DKK	DKK
Amortisation of intangible assets	360,942	267,610
Depreciation on property, plant and equipment	8,428,884	8,440,426
	8,789,826	8,708,036

7 Other financial income

	2023	2022
	DKK	DKK
Other financial income	16,296,954	6,811,432
	16,296,954	6,811,432

8 Other financial expenses

	2023	2022
	DKK	DKK
Exchange rate adjustments	710,203	159,268
Other financial expenses	14,814,026	7,135,389
	15,524,229	7,294,657

9 Tax on profit/loss for the year

	2023	2022
	DKK	DKK
Current tax	6,665,256	16,048,434
Change in deferred tax	1,309,434	(1,834,531)
Adjustment concerning previous years	0	843,794
	7,974,690	15,057,697

10 Proposed distribution of profit/loss

	2023	2022
	DKK	DKK
Ordinary dividend for the financial year	31,811,248	0
Retained earnings	0	47,684,149
	31,811,248	47,684,149

11 Intangible assets

	Goodwill
	DKK
Cost beginning of year	4,672,964
Exchange rate adjustments	(31,519)
Cost end of year	4,641,445
Amortisation and impairment losses beginning of year	(2,737,928)
Amortisation for the year	(360,942)
Amortisation and impairment losses end of year	(3,098,870)
Carrying amount end of year	1,542,575

12 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	103,131,019	0
Exchange rate adjustments	(500,442)	0
Transfers	(105,682,493)	84,796,147
Additions	6,257,418	0
Disposals	2,785,200	0
Cost end of year	5,990,702	84,796,147
Depreciation and impairment losses beginning of year	(82,241,814)	0
Exchange rate adjustments	415,786	0
Transfers	90,250,576	(69,364,230)
Depreciation for the year	(8,428,884)	0
Reversal regarding disposals	(4,624,598)	0
Depreciation and impairment losses end of year	(4,628,934)	(69,364,230)
Carrying amount end of year	1,361,768	15,431,917

13 Financial assets

	Other investments DKK	Deposits DKK
Cost beginning of year	400,000	11,001,409
Additions	0	1,291,314
Disposals	(400,000)	0
Cost end of year	0	12,292,723
Carrying amount end of year	0	12,292,723

14 Deferred tax

	2023 DKK	2022 DKK
Property, plant and equipment	3,167,201	1,144,233
Inventories	4,338,400	5,335,000
Deferred tax	7,505,601	6,479,233

	2023	2022
	DKK	DKK
Changes during the year		
Beginning of year	6,479,233	4,014,802
Recognised in the income statement	(1,309,434)	1,834,531
Recognised directly in equity	0	629,900
Other adjustments	2,335,802	0
End of year	7,505,601	6,479,233

Deferred tax assets

The Group expects to use the deferred tax asset in the coming years, due to positive profit.

15 Prepayments

Prepayments comprise prepaid expenses to rent, insurance, subscriptions etc.

16 Contributed capital

	Number	Par value	Nominal
		DKK	value
			DKK
Shares	500,000	1.00	500,000
	500,000		500,000

17 Other provisions

Other provisions comprise provisions relating to reestablishment obligations.

18 Deferred income

Deferred income comprises giftcards.

19 Changes in working capital

	2023	2022
	DKK	DKK
Increase/decrease in inventories	25,353,763	(6,137,538)
Increase/decrease in receivables	10,830,196	(17,683,183)
Increase/decrease in trade payables etc.	(40,551,097)	(22,486,828)
	(4,367,138)	(46,307,549)

20 Derivative financial instruments

The Group has forward exchange contracts that covers a period of 1-9 months. The Group has entered the forward exchange contracts to hedge the exchange rate risk on the expected future foreign exchange cashflow.

The forward exchange contracts is entered with the Company's usual credit institution and the contracts has a value of DKK -111,665 as of 31.12.2023.

The valuation of the forward exchange contracts is based on a discounted cash flow method, in which the expected future cash flows in the financial instruments, are based on relevant, observable forward exchange rates, which is discounted to 31.12.2023 with a discount rate that reflects the credit risk related to both the counterparty (Samsøe & Samsøe Whole Sale ApS and ENVII ApS) and the credit institution.

A total of sixteen forward exchange contracts has been entered by the Company as of 31.12.2023. The contracts is related to purchase of USD at exchange rates between 6.566 - 6.806 which is executed in the period 30. January 2024 to 30. September 2024.

21 Unrecognised rental and lease commitments

	2023	2022
	DKK	DKK
Total liabilities under rental or lease agreements until maturity	123,885,639	53,783,000

22 Assets charged and collateral

The Group has secured the engagement with the bank connection by way of mortgage comprising simple claims, inventories, unregistered vehicles, property, plant and equipment and goodwill. The nominal value of the mortgage is DKK 28,300,000 as security for balances with credit institutions in the Group.

The group has entered into several revenue-determined lease contracts. These contracts are not included in the calculated future rental obligation.

23 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

24 Subsidiaries

	Registered in	Corporate form	Ownership %
Samsøe & Samsøe Holding A/S	Denmark	A/S	100.00
Samsøe & Samsøe Whole Sale ApS	Denmark	ApS	100.00
Samsøe & Samsøe Shops ApS	Denmark	ApS	100.00
Samsøe & Samsøe Købmagergade 48 ApS	Denmark	ApS	100.00
Samsøe & Samsøe Antwerp S.P.R.L.	Belgium	S.P.R.L.	99.00
Samsøe & Samsøe Benelux B.V.	Holland	B.V.	100.00
Samsøe & Samsøe Brussels S.P.R.L.	Belgium	S.P.R.L.	99.00
Samsøe & Samsøe Shanghai Ltd.	China	Ltd.	100.00
Samsøe & Samsøe Deutschland GmbH	Germany	GmbH	100.00
Samsøe & Samsøe Helsinki OY	Finland	OY	100.00
Samsøe & Samsøe UK Ltd.	United Kingdom	Ltd.	100.00
Samsøe & Samsøe US Inc.	United States	Inc.	100.00
Samsøe & Samsøe France S.A.R.L.	France	S.A.R.L	100.00
Samsøe & Samsøe Akerbrygge AS	Norway	AS	100.00
Samsøe & Samsøe Bogstadveien AS	Norway	AS	100.00
Samsøe & Samsøe Oslo Outlet AS	Norway	AS	100.00
Samsøe & Samsøe Shops Norge AS	Norway	AS	100.00
Samsøe & Samsøe Strandgaten AS	Norway	AS	100.00
Samsøe & Samsøe Trondheim AS	Norway	AS	100.00
Samsøe & Samsøe Wholesale Norge AS	Norway	AS	100.00
Samsøe & Samsøe Øvre Slottsgate AS	Norway	AS	100.00
Samsøe & Samsøe Barkaby AB	Sweden	AB	100.00
Samsøe & Samsøe Biblioteksgatan AB	Sweden	AB	100.00
Samsøe & Samsøe Brunogallerian AB	Sweden	AB	100.00
Samsøe & Samsøe Korsgatan AB	Sweden	AB	100.00
Samsøe & Samsøe Malmö AB	Sweden	AB	100.00
Samsøe & Samsøe Mood AB	Sweden	AB	100.00
Samsøe & Samsøe Sweden AB	Sweden	AB	100.00
ENVII Holding ApS	Denmark	ApS	100.00
Envii Shops ApS	Denmark	ApS	100.00
Envii Amagertorv ApS	Denmark	ApS	100.00
Envii Shops Norway AS	Norway	AS	100.00
Envii Biblioteksgatan AB	Sweden	AB	100.00

Parent income statement for 2023

	Notes	2023 DKK	2022 DKK
Other external expenses	2	(136,657)	(513,384)
Gross profit/loss		(136,657)	(513,384)
Income from investments in group enterprises		29,047,897	48,581,017
Other financial income	3	789,281	3,114,299
Other financial expenses	4	(1,344,775)	(4,677,995)
Profit/loss before tax		28,355,746	46,503,937
Tax on profit/loss for the year	5	3,455,502	1,180,212
Profit/loss for the year	6	31,811,248	47,684,149

Parent balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Investments in group enterprises		70,153,389	189,047,762
Financial assets	7	70,153,389	189,047,762
Fixed assets		70,153,389	189,047,762
Receivables from group enterprises		91,589,475	70,925,722
Deferred tax	8	4,808,712	5,335,000
Joint taxation contribution receivable		9,116,117	4,826,082
Receivables		105,514,304	81,086,804
Cash		6,269,413	19,579,030
Current assets		111,783,717	100,665,834
Assets		181,937,106	289,713,596

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital		500,000	500,000
Reserve for fair value adjustments and hedging instruments		(87,107)	(2,233,293)
Reserve for net revaluation according to equity method		0	126,408,536
Retained earnings		115,951,267	29,381,182
Proposed dividend for the financial year		31,811,248	0
Equity		148,175,408	154,056,425
Other provisions	9	2,137,783	4,485,527
Provisions		2,137,783	4,485,527
Payables to group enterprises		28,243,748	131,171,644
Tax payable		3,380,167	0
Current liabilities other than provisions		31,623,915	131,171,644
Liabilities other than provisions		31,623,915	131,171,644
Equity and liabilities		181,937,106	289,713,596
Events after the balance sheet date	1		
Employees	10		
Contingent liabilities	11		
Assets charged and collateral	12		
Related parties with controlling interest	13		
Transactions with related parties	14		

Parent statement of changes in equity for 2023

	Contributed capital DKK	Reserve for fair value adjustments of hedging instruments DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Proposed dividend for the year DKK
Equity beginning of year	500,000	(2,233,293)	126,408,536	29,381,182	0
Extraordinary dividend paid	0	0	0	(40,000,000)	0
Exchange rate adjustments	0	0	65,394	0	0
Value adjustments	0	0	2,146,186	0	0
Other entries on equity	0	0	96,155	0	0
Transfer to reserves	0	2,146,186	(128,716,271)	126,570,085	0
Profit/loss for the year	0	0	0	0	31,811,248
Equity end of year	500,000	(87,107)	0	115,951,267	31,811,248

	Total DKK
Equity beginning of year	154,056,425
Extraordinary dividend paid	(40,000,000)
Exchange rate adjustments	65,394
Value adjustments	2,146,186
Other entries on equity	96,155
Transfer to reserves	0
Profit/loss for the year	31,811,248
Equity end of year	148,175,408

Notes to parent financial statements

1 Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

2 Fees to the auditor appointed by the Annual General Meeting

	2023	2022
	DKK	DKK
Statutory audit services	145,000	35,000
Other assurance engagements	50,000	0
Tax services	20,000	0
	215,000	35,000

3 Other financial income

	2023	2022
	DKK	DKK
Financial income from group enterprises	788,047	2,076,752
Other financial income	1,234	1,037,547
	789,281	3,114,299

4 Other financial expenses

	2023	2022
	DKK	DKK
Exchange rate adjustments	75,874	1,263,609
Other financial expenses	1,268,901	3,414,386
	1,344,775	4,677,995

5 Tax on profit/loss for the year

	2023	2022
	DKK	DKK
Current tax	(3,981,790)	(348,612)
Change in deferred tax	526,288	(831,600)
	(3,455,502)	(1,180,212)

6 Proposed distribution of profit and loss

	2023	2022
	DKK	DKK
Ordinary dividend for the financial year	31,811,248	0
Extraordinary dividend distributed in the financial year	0	40,000,000
Retained earnings	0	7,684,149
	31,811,248	47,684,149

7 Financial assets

	Investments in group enterprises DKK
Cost beginning of year	61,877,092
Additions	16,500,000
Cost end of year	78,377,092
Revaluations beginning of year	127,170,670
Exchange rate adjustments	65,394
Transfers	8,223,703
Adjustments on equity	96,150
Share of profit/loss for the year	29,347,897
Adjustment of intra-group profits	(300,000)
Dividend	(166,750,000)
Fair value adjustments	2,146,186
Revaluations end of year	0
Transfers	(8,223,703)
Impairment losses end of year	(8,223,703)
Carrying amount end of year	70,153,389

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

8 Deferred tax

	2023	2022
	DKK	DKK
Fixed asset investments	4,338,400	5,335,000
Liabilities other than provisions	470,312	0
Deferred tax	4,808,712	5,335,000

Changes during the year	2023 DKK	2022 DKK
Beginning of year	5,335,000	4,503,400
Recognised in the income statement	(526,288)	831,600
End of year	4,808,712	5,335,000

Deferred tax assets

The Company expects to use the deferred tax asset in the coming years, due to positive profit.

9 Other provisions

Other provisions comprise provisions relating to reestablishment obligations.

10 Employees

The Entity has no employees other than the Executive Board. Management has received remuneration as outlined in the specification below from note the notes in the consolidated financial statement.

11 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

12 Assets charged and collateral

The Company has, for the group's overall engagement with credit institutions, issued a joint mortgage bond with group-affiliated Companies with a total guarantee of DKK 101,810,516.

13 Related parties with controlling interest

Sextus Contracting ApS, Copenhagen owns the majority of the shares in the Entity, thus exercising control.

14 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year. Reclassification in consolidated note 12 have been made, between Other fixtures and fittings, tools and equipment and Leasehold Improvements without adjustment of comparison numbers. In note 7 and 8, the comparison numbers (2022) for exchange rate income and costs has been adjusted to net values.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling, influence are regarded as associates.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in Management's

proposal for the distribution of net profit/loss and equity, respectively.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value, which has been calculated as the discounted value of expected future net cash flows by using an approximate risk-free interest rate adjusted for any factors that a potential market participant would attribute value to when acquiring the instrument. Derivative financial instruments are recognised in other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in the reserve for fair value adjustments of hedging instruments in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

Income statement

Revenue

Revenue from the sale of goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including profit from the sale of intangible assets and property, plant and equipment.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for normal inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's normal activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise wages and salaries, and social security contributions, pension contributions, etc. for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year.

Other operating expenses

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities, including loss from the sale of intangible assets and property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises dividends etc. received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Parent is jointly taxed with all of its Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. The amortisation periods used are 5-10 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Other fixtures and fittings, tools and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses. Reference is made to the above section on business combinations for more details about the accounting policies applied to acquisitions of investments in group enterprises.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to the reserve for net revaluation according to the equity method in equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Other investments

Other investments comprise unlisted equity investments measured at the lower of cost and net realisable value.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at

their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Joint taxation contributions payable or receivable

Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Other provisions

Other provisions comprise anticipated costs of reestablishment obligations.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

Operating leases

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

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk.