Skandinavisk SR ApS

Ny Vestergade 7B, 1., 1471 København K

Company reg. no. 34 62 06 28

Annual report

1 January - 31 December 2023

The annual report was submitted and approved by the general meeting on the 2 July 2024.

Shaun Herbert Russell
Chairman of the meeting

Contents

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

Management's statement

Today, the Managing Director has approved the annual report of Skandinavisk SR ApS for the financial year 1 January - 31 December 2023.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

I consider the chosen accounting policy to be appropriate, and in my opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023.

Further, in my opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

København K, 2 July 2024

Managing Director

Shaun Herbert Russell

Independent auditor's report

To the Shareholders of Skandinavisk SR ApS

Opinion

We have audited the financial statements of Skandinavisk SR ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

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

Basis for conclusion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management’s Responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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.

Independent auditor's report

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 Company’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management’s use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

Independent auditor's report

In connection with our audit of the financial statements, our responsibility is to read Management’s Review and, in doing so, consider whether Management’s Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that Management’s Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management’s Review.

Alleroed, 2 July 2024

Piaster Revisorerne
Statsautoriseret Revisionsaktieselskab
Company reg. no. 25 16 00 37

Niels Kristian Tordrup Mørk
State Authorised Public Accountant
mne35462

Company information

The company	Skandinavisk SR ApS Ny Vestergade 7B, 1. 1471 København K	
	Company reg. no.	34 62 06 28
	Established:	23 July 2012
	Domicile:	København
	Financial year:	1 January - 31 December
Managing Director	Shaun Herbert Russell	
Auditors	Piaster Revisorerne, Statsautoriseret Revisionsaktieselskab Engholm Parkvej 8 3450 Allerød	

Management´s review

Description of key activities of the company

The company's activities are the creation, design and trading of home & body fragrance products under the brand name ‘Skandinavisk’ in the global retail marketplace. Skandinavisk creates fragrances inspired by the unique balance between the dramatic Scandinavian landscapes and the peaceful approach to life of the Scandinavians. Skandinavisk is a Certified B Corporation with the highest standards of social and environmental impact. The company’s mission is to inspire the world to take a more Scandinavian approach to life.

Development in activities and financial matters

The year's result is considered satisfying.

2023 Management Summary

As we entered our second decade in spring 2023, we launched the first phase of our strategy to refresh and upgrade our home & body fragrance collections. Direct channels grew by almost 20%, approaching a quarter of total revenue for the first time, while almost all our primary retail accounts also grew despite the tough market conditions. Our entry into the travel retail sector and expansion of our hotel partnerships added incremental performance in places where people are on the move.

But the 2023 result was mainly impacted by the run out of our 3-year distribution agreement in China. Despite the lack of bulk orders, Skandinavisk in-market retail sales value remained robust, demonstrating continued appeal for our brand and products in this key market, and logic for our forthcoming joint venture. To offset the revenue pressure, costs were more tightly controlled.

Skandinavisk 2023 Net Promoter Score: 67 (excellent/world class).

Future developments

In spring 2024 we launch the second phase of our product update with an entirely new hand, hair and body care collection, all made in Scandinavia, with further product launches locked in for the autumn-winter season. Our first joint venture agreement, Skandinavisk Shanghai, is incorporated, and our continued strategic focus on the travel retail and hospitality sectors is expected to take advantage of the consumption shift toward the experience economy as conventional retail is expected to remain soft through 2024.

Events occurring after the end of the financial year

The company has taken out additional loan in 2024 to finance the continued growth and repayment of debt.

Income statement 1 January - 31 December

All amounts in DKK.

Note		2023	2022
	Gross profit	**12.049.488**	**12.982.597**
1	Staff costs	-10.123.223	-10.705.927
2	Depreciation, amortisation, and impairment	-579.744	-603.235
	Operating profit	**1.346.521**	**1.673.435**
	Other financial income from group enterprises	8.178	0
	Other financial income	309.938	414.913
3	Other financial expenses	-1.571.466	-1.271.376
	Pre-tax net profit or loss	**93.171**	**816.972**
4	Tax on net profit or loss for the year	-31.751	-235.841
	Net profit or loss for the year	**61.420**	**581.131**
	Proposed distribution of net profit:		
	Transferred to retained earnings	61.420	581.131
	Total allocations and transfers	**61.420**	**581.131**

Balance sheet at 31 December

All amounts in DKK.

Note	Assets	2023	2022
	Non-current assets		
5	Completed development projects, including patents and similar rights arising from development projects	868.998	1.158.664
6	Acquired concessions, patents, licenses, trademarks, and similar rights	206.894	237.771
	Total intangible assets	1.075.892	1.396.435
7	Other fixtures, fittings, tools and equipment	68.125	95.465
	Total property, plant, and equipment	68.125	95.465
8	Deposits	328.439	305.430
	Total investments	328.439	305.430
	Total non-current assets	**1.472.456**	**1.797.330**
	Current assets		
	Raw materials and consumables	2.062.670	2.227.863
	Manufactured goods and goods for resale	9.424.817	12.211.762
	Prepayments for goods	41.840	398.639
	Total inventories	11.529.327	14.838.264
	Trade receivables	10.988.959	12.262.579
	Receivables from group enterprises	387.102	0
	Other receivables	797.149	495.024
	Prepayments	203.349	138.415
	Total receivables	12.376.559	12.896.018
	Cash and cash equivalents	365.144	381.303
	Total current assets	**24.271.030**	**28.115.585**
	Total assets	**25.743.486**	**29.912.915**

Balance sheet at 31 December

All amounts in DKK.

Note	Equity and liabilities	2023	2022
	Equity		
	Contributed capital	121.446	121.446
	Reserve for development costs	629.931	903.758
	Retained earnings	7.125.674	6.790.427
	Total equity	**7.877.051**	**7.815.631**
	Provisions		
9	Provisions for deferred tax	172.274	227.769
	Total provisions	**172.274**	**227.769**
	Liabilities other than provisions		
	Other mortgage debt	1.945.322	2.008.207
	Other payables	663.079	640.656
10	Total long term liabilities other than provisions	2.608.401	2.648.863
10	Current portion of long term liabilities	1.034.935	1.492.000
	Bank loans	7.003.311	8.347.789
	Trade payables	4.903.905	5.858.886
	Payables to group enterprises	0	906.669
	Payables to shareholders and management	0	400.777
	Income tax payable	87.246	94.971
	Other payables	2.056.363	2.119.560
	Total short term liabilities other than provisions	15.085.760	19.220.652
	Total liabilities other than provisions	**17.694.161**	**21.869.515**
	Total equity and liabilities	**25.743.486**	**29.912.915**

11 Charges and security

12 Contingencies

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Reserve for development costs	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 January 2022	121.446	426.384	6.686.670	2.000.000	9.234.500
Distributed dividend	0	0	0	-2.000.000	-2.000.000
Retained earnings for the year	0	0	581.131	0	581.131
Transferred from retained earnings	0	477.374	-477.374	0	0
Equity 1 January 2023	121.446	903.758	6.790.427	0	7.815.631
Retained earnings for the year	0	0	61.420	0	61.420
Transferred from retained earnings	0	-273.827	273.827	0	0
	121.446	**629.931**	**7.125.674**	**0**	**7.877.051**

Notes

All amounts in DKK.

		2023	2022
1.	**Staff costs**		
	Salaries and wages	9.020.785	9.701.822
	Pension costs	869.581	752.936
	Other costs for social security	232.857	251.169
		10.123.223	**10.705.927**
	Average number of employees	17	20
2.	**Depreciation, amortisation, and impairment**		
	Amortisation of development projects	289.666	479.693
	Amortisation of concessions, patents, and licences	32.084	31.847
	Regulations regarding the depreciation period	-61.394	0
	Depreciation of other fixtures and fittings, tools and equipment	319.388	91.695
		579.744	**603.235**
3.	**Other financial expenses**		
	Financial costs, group enterprises	0	12.443
	Other financial costs	1.571.466	1.258.933
		1.571.466	**1.271.376**
4.	**Tax on net profit or loss for the year**		
	Tax on net profit or loss for the year	87.246	94.971
	Adjustment of deferred tax for the year	-55.495	140.870
		31.751	**235.841**

Notes

All amounts in DKK.

		31/12 2023	31/12 2022
5.	**Completed development projects, including patents and similar rights arising from development projects**		
	Cost 1 January 2023	1.675.523	583.812
	Additions during the year	0	1.091.711
	Cost 31 December 2023	**1.675.523**	**1.675.523**
	Amortisation and write-down 1 January 2023	-516.859	-37.166
	Amortisation and depreciation for the year	-289.666	-479.693
	Amortisation and write-down 31 December 2023	**-806.525**	**-516.859**
	Carrying amount, 31 December 2023	**868.998**	**1.158.664**

The development projects relates to the development of integrated webshop solution with own software code. The development projects are expected to generate increase in turnover and profits for the coming years in the company webshop.

		31/12 2023	31/12 2022
6.	**Acquired concessions, patents, licenses, trademarks, and similar rights**		
	Cost 1 January 2023	320.209	317.809
	Additions during the year	1.207	2.400
	Cost 31 December 2023	**321.416**	**320.209**
	Amortisation and write-down 1 January 2023	-82.438	-50.591
	Amortisation and depreciation for the year	-32.084	-31.847
	Amortisation and write-down 31 December 2023	**-114.522**	**-82.438**
	Carrying amount, 31 December 2023	**206.894**	**237.771**

Notes

All amounts in DKK.

		31/12 2023	31/12 2022
7.	**Other fixtures, fittings, tools and equipment**		
	Cost 1 January 2023	831.881	809.301
	Additions during the year	27.331	22.580
	Cost 31 December 2023	**859.212**	**831.881**
	Depreciation and write-down 1 January 2023	-736.416	-644.721
	Amortisation and depreciation for the year	-54.671	-91.695
	Depreciation and write-down 31 December 2023	**-791.087**	**-736.416**
	Carrying amount, 31 December 2023	**68.125**	**95.465**

		31/12 2023	31/12 2022
8.	**Deposits**		
	Cost 1 January 2023	305.430	215.523
	Additions during the year	23.009	295.107
	Disposals during the year	0	-205.200
	Cost 31 December 2023	**328.439**	**305.430**
	Carrying amount, 31 December 2023	**328.439**	**305.430**

		31/12 2023	31/12 2022
9.	**Provisions for deferred tax**		
	Provisions for deferred tax 1 January 2023	227.769	86.899
	Deferred tax relating to the net profit or loss for the year	-55.495	140.870
		172.274	**227.769**

10. Long term labilities other than provisions

	Total payables 31 Dec 2023	Current portion of long term payables	Long term payables 31 Dec 2023	Outstanding payables after 5 years
Other mortgage debt	2.980.257	1.034.935	1.945.322	0
Other payables	663.079	0	663.079	0
	3.643.336	**1.034.935**	**2.608.401**	**0**

Notes

All amounts in DKK.

11. Charges and security

As security for bank debts, the Company has granted charges of DKK 3.500.000 to Vækstfonden and DKK 13.500.000 to Danske Bank on existing and future acquisitions of Other fixtures, fittings, tools and equipment, raw materials and consumables, manufactured goods and goods for resale, trade receivables, goodwill and rights. The carrying amount of assets comprised by the company charge is DKK 22.751.465 at 31 December 2023.

12. Contingencies

Contingent liabilities

The company has entered into lease agreement with af residual maturity of 6 months with an average benefit of DKK 53.800, a total of DKK 322.800.

The company has entered into a lease agreement for a car with a residual maturity of 36 months, a monthly lease payment of DKK 6,700, and a total of DKK 227,800.

Joint taxation

With The Russell Holding Company ApS, company reg. no 35 39 31 37 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

Accounting policies

The annual report for Skandinavisk SR ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

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

Change in accounting estimates

Management has reveived the development projects and estimated that the useful timelife has increased from 3 to 5 years. This change has resulted in an impact of 264 t.kr.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Accounting policies

Income statement

Gross profit

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

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

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

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

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

Staff costs

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

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Accounting policies

Statement of financial position

Intangible assets

Development projects, patents, and licences

Development costs comprise salaries, wages, and amortisation directly attributable to development activities.

Clearly defined and identifiable development projects are recognised as intangible assets provided that they are proven to be technically practicable, that sufficient resources and a potential market or development opportunity exist, and insofar as the intention is to produce, market or utilise the project. It is, however, a condition that the cost can be reliably calculated and that a sufficiently high degree of certainty indicates that future earnings will cover the costs of production, sales, and administration. Other development costs are recognised in the income statement concurrently with their realisation.

Development costs recognised in the statement of financial position are measured at cost less accrued amortisations and write-downs for impairment.

After completion of the development work, capitalised development costs are amortised on a straight-line basis over the estimated useful economic life. The amortisation period is usually 3 years.

Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 10 years.

Profit and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss are recognised in the income statement as other operating income or other operating expenses, respectively.

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment.

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

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

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

Accounting policies

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

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

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

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

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

Investments

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Impairment loss relating to non-current assets

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

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

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

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

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Accounting policies

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

The net realisable value for inventories is recognised as the estimated selling price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

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

Prepayments

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

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

Equity

Reserve for development costs

The reserve for development costs comprises recognised development costs less related deferred tax liabilities.

The reserve cannot be used as dividends or for covering losses.

The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity.

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Accounting policies

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

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"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Shaun Herbert Russell
Direktør
På vegne af: Skandinavisk SR
Serienummer: 5f6e1cc8-4ad8-47d6-b904-2e75bf0a7c34
IP: 152.115.xxx.xxx
2024-07-02 08:08:58 UTC

Shaun Herbert Russell
Dirigent
På vegne af: Skandinavisk SR
Serienummer: 5f6e1cc8-4ad8-47d6-b904-2e75bf0a7c34
IP: 152.115.xxx.xxx
2024-07-02 08:08:58 UTC

Niels Kristian Tordrup Mørk
PIASTER REVISORERNE, STATSAUTORISERET REVISIONSAKTIESELSKAB
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