
August Sandgren A/S

c/o Easy Correct ApS, Vesterbrogade 43 2, DK-1620
Copenhagen

Annual Report for 2022

CVR No. 37 12 50 40

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 11/7 2023

Pia Kirkeskov Andersen
Chairman of the
general meeting



Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Practitioner's Statement on Compilation of Financial Statements	2
Management's Review	
Company information	3
Management's Review	4
Financial Statements	
Income Statement 1 January - 31 December	5
Balance sheet 31 December	6
Statement of changes in equity	8
Notes to the Financial Statements	9

Management's statement

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

The Annual Report is prepared in accordance with the Danish Financial Statements Act. The Company complies with the exemption provisions governing the omission to have its Financial Statements audited.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and of the results of the Company operations for 2022.

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

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

Copenhagen, 11 July 2023

Executive Board

Pia Kirkeskov Andersen
Manager

Board of Directors

Angus Robert Ridgway
Chairman

Pia Kirkeskov Andersen

Cecilie Pram Helweg Kjølbøye

Practitioner's Statement on Compilation of Financial Statements

To the Management of August Sandgren A/S

We have compiled the Financial Statements of August Sandgren A/S for the financial year 1 January - 31 December 2022 on the basis of the Company's accounting records and other information you have provided.

The Financial Statements comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies.

We performed our work in accordance with ISRS 4410, Engagements to Compile Financial Information.

Based on our professional expertise, we have assisted you with the preparation and presentation of the Financial Statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions of the Danish Act on Approved Auditors and Audit Firms and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), including the principles of integrity, objectivity, professional competence and due care.

The Financial Statements and the accuracy and completeness of the information forming the basis of the compilation of the Financial Statements are your responsibility.

As an engagement to compile financial information is not an assurance engagement, we are under no duty to verify the accuracy or completeness of the information you provided to us to compile the Financial Statements. Accordingly, we express no audit opinion or review opinion as to whether the Financial Statements have been prepared in accordance with the Danish Financial Statements Act.

Hellerup, 11 July 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Claus Christensen

State Authorised Public Accountant

mne33687

Company information

The Company	August Sandgren A/S c/o Easy Correct ApS Vesterbrogade 43 2 DK-1620 Copenhagen CVR No: 37 12 50 40 Financial period: 1 January - 31 December Incorporated: 1 October 2015 Financial year: 7th financial year Municipality of reg. office: Copenhagen
Board of Directors	Angus Robert Ridgway, chairman Pia Kirkeskov Andersen Cecilie Pram Helweg Kjølbye
Executive Board	Pia Kirkeskov Andersen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup

Management's review

Key activities

August Sandgren A/S has 100 years of history within high quality bookbinding and box-making. Today the company leverage the heritage in designing, producing and distributing high quality leather and textile boxes for storage. The boxes are used by private consumers, offices and hotels for all the physical belongings that do not belong in "the cloud".

Development in the year

The income statement of the Company for 2022 shows a loss of DKK 9,406, and at 31 December 2022 the balance sheet of the Company shows positive equity of DKK 27,987.

Capital resources

As of 31 December 2022, the Company has lost more than fifty percent of the share capital due to incurred losses and is thus covered by the requirements in section 119 in the Danish Companies Act. It is Management's expectations that the loss of share capital will be recovered through future profits and if deemed relevant via debt conversion and/or cash capital increase.

Uncertainty relating to recognition and measurement

There has been no uncertainty regarding recognition and measurement in the Annual Report.

Subsequent events

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

Income statement 1 January - 31 December

	Note	2022	2021
		DKK	DKK
Gross profit		335,254	103,200
Staff expenses	1	-124,142	-55,011
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-96,533	-215,419
Profit/loss before financial income and expenses		114,579	-167,230
Financial income		1,855	548
Financial expenses		-125,840	-140,161
Profit/loss before tax		-9,406	-306,843
Tax on profit/loss for the year		0	0
Net profit/loss for the year		-9,406	-306,843

Distribution of profit

	2022	2021
	DKK	DKK
Proposed distribution of profit		
Transfer for the year to other reserves	0	-88,898
Retained earnings	-9,406	-217,945
	-9,406	-306,843

Balance sheet 31 December

Assets

	Note	2022 DKK	2021 DKK
Completed development projects		77,449	128,403
Acquired licenses		0	0
Acquired trademarks		14,513	15,630
Intangible assets	2	<u>91,962</u>	<u>144,033</u>
Fixed assets		<u>91,962</u>	<u>144,033</u>
Finished goods and goods for resale		839,531	539,150
Inventories		<u>839,531</u>	<u>539,150</u>
Trade receivables		820,554	252,839
Receivables from group enterprises		32,779	59,050
Other receivables		0	9,494
Receivables		<u>853,333</u>	<u>321,383</u>
Cash at bank and in hand		<u>862,145</u>	<u>1,447,713</u>
Current assets		<u>2,555,009</u>	<u>2,308,246</u>
Assets		<u>2,646,971</u>	<u>2,452,279</u>

Balance sheet 31 December

Liabilities and equity

	Note	2022	2021
		DKK	DKK
Share capital		776,199	776,199
Reserve for development costs		60,410	100,154
Retained earnings		-808,622	-838,960
Equity		<u>27,987</u>	<u>37,393</u>
Credit institutions		707,638	916,467
Convertible and profit-yielding instruments of debt		1,200,138	1,146,072
Long-term debt	3	<u>1,907,776</u>	<u>2,062,539</u>
Credit institutions	3	178,196	97,635
Trade payables		478,257	183,677
Other payables		54,755	71,035
Short-term debt		<u>711,208</u>	<u>352,347</u>
Debt		<u>2,618,984</u>	<u>2,414,886</u>
Liabilities and equity		<u>2,646,971</u>	<u>2,452,279</u>
Contingent assets, liabilities and other financial obligations	4		
Related parties	5		
Accounting Policies	6		

Statement of changes in equity

	Share capital	Reserve for development costs	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	776,199	100,154	-838,960	37,393
Development costs for the year	0	-39,744	39,744	0
Net profit/loss for the year	0	0	-9,406	-9,406
Equity at 31 December	776,199	60,410	-808,622	27,987

Notes to the Financial Statements

	2022	2021
	DKK	DKK
1. Staff Expenses		
Wages and salaries	123,772	54,822
Other social security expenses	370	189
	<u>124,142</u>	<u>55,011</u>
Average number of employees	<u>1</u>	<u>1</u>

2. Intangible fixed assets

	Completed development projects	Acquired licenses	Acquired trademarks
	DKK	DKK	DKK
Cost at 1 January	1,071,509	62,480	22,332
Additions for the year	44,462	0	0
Cost at 31 December	<u>1,115,971</u>	<u>62,480</u>	<u>22,332</u>
Impairment losses and amortisation at 1 January	943,106	62,480	6,702
Amortisation for the year	95,416	0	1,117
Impairment losses and amortisation at 31 December	<u>1,038,522</u>	<u>62,480</u>	<u>7,819</u>
Carrying amount at 31 December	<u>77,449</u>	<u>0</u>	<u>14,513</u>
Amortised over	<u>5 years</u>	<u>3 years</u>	<u>20 years</u>

Notes to the Financial Statements

3. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2022	2021
	DKK	DKK
Credit institutions		
After 5 years	0	0
Between 1 and 5 years	707,638	916,467
Long-term part	<u>707,638</u>	<u>916,467</u>
Within 1 year	178,196	97,635
Short-term part	<u>178,196</u>	<u>97,635</u>
	<u>885,834</u>	<u>1,014,102</u>
Convertible and profit-yielding instruments of debt		
After 5 years	0	0
Between 1 and 5 years	1,200,138	1,146,072
Long-term part	<u>1,200,138</u>	<u>1,146,072</u>
Within 1 year	0	0
	<u>1,200,138</u>	<u>1,146,072</u>
	2022	2021
	DKK	DKK

4. Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with bankers:

Mortgage deeds registered to the mortgagor totalling TDKK 1,000, providing security on land and buildings as well as other property, plant and equipment at a total carrying amount of:	1,752,047	936,022
---	-----------	---------

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Kirkeskov Andersen Holding ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the Financial Statements

5. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

<u>Name</u>	<u>Place of registered office</u>
Kirkeskov Andersen Holding ApS	Slagelse

Notes to the Financial Statements

6. Accounting policies

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

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2022 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

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

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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

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

Income statement

Net sales

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

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Notes to the Financial Statements

Other external expenses

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

Gross profit

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

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

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

Tax on profit/loss for the year

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

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

Balance sheet

Intangible fixed assets

Trademarks, development projects and licenses are measured at cost less accumulated amortisation. Trademarks, development projects and licenses are amortised on a straight-line basis over their useful lives, which is assessed at 20 years for trademarks, 5 years for development projects and 3 years for licenses.

Inventories

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

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Notes to the Financial Statements

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

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

Current tax receivables and liabilities

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

Financial debts

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

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