

**Scotch & Soda Retail Denmark ApS**

Langelinie Allé 35, DK-2100 København Ø

**Annual Financial Report for the year 2020-2021**

CVR No 39 61 14 57

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## Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Financial Statements of Scotch & Soda Retail Denmark ApS for the financial year 1 June 2020 - 31 May 2021.

The financial statements are prepared in accordance with the Danish Financial Statments Act.

In our opinion the Financial Statments give a true and fair view of the financial position at 31 May 2021 of the Company and of the results of the Company operations for 2020/2021.

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

Copenhagen, 29 October 2021

### Executive Board

DocuSigned by:  
  
B695355B1124408...  
Tony Wester  
CEO

### Board of Directors

DocuSigned by:  
  
B695355B1124408...  
Tony Wester  
Chairman

DocuSigned by:  
  
B8E3C7B5E1B4452...  
Patrick Kroon

## **Company Information**

<b>The Company</b>	Scotch & Soda Retail Denmark ApS Langelinie Allé 35, DK-2100 København Ø
<b>Board of Directors</b>	Tony Wester, Chairman Patrick Kroon
<b>Executive Board</b>	Tony Wester

## **Management's Review**

Financial Statements of Scotch & Soda Retail Denmark ApS for 2020/21 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.

### **Key activities**

The Company's main activities is to run retail stores for marketing and sale of Scotch & Soda products in Denmark.

### **Development in the year**

The financial year 2020/2021 was challenging due to the global outbreak of the COVID-19 which resulted in a closure of the store for the period of end of December to end of February.

The total revenue of the company for 2020/21 amounts to DDK 1.6 million and net loss of DKK 0.1 million at 31 May 2021 .

### **Subsequent events**

No significant matters have affected the Financial statements after the balance sheet date.

## Income Statement 1 June - 31 May 2021

	Note	2020/21	2019/20
		<i>DKK</i>	<i>DKK</i>
<b>Gross profit/loss</b>		2.999.664	1.195.159
Staff expenses	0	-719.046	-832.065
Depreciation on property, plant & equipment		-2.309.157	-386.424
<b>Profit/loss before financial income and expenses</b>		<b>-28.539</b>	<b>-23.330</b>
Financial income/expenses	3	-65.709	-26.683
<b>Profit/loss before tax</b>		<b>-94.248</b>	<b>-50.013</b>
Tax on profit/loss for the year		-400	-799,75
<b>Net profit/loss for the year</b>		<b>-94.648</b>	<b>-50.813</b>
<b>Distribution of Profit</b>			
Proposed distribution of profit			
Retained earnings		-94.648	-50.813
		<b>-94.648</b>	<b>-50.813</b>

## Balance Sheet 31 May 2021

### Assets

Note	2020/21	2019/20
	<i>DKK</i>	<i>DKK</i>
Other fixtures and fittings, tools and equipment	0	645.233
Leasehold improvements	0	1.663.924
<b>Property, plant and equipment</b>	<b>0</b>	<b>2.309.157</b>
<b>Fixed Assets</b>	<b>0</b>	<b>2.309.157</b>
<b>Inventories</b>	<b>377.925</b>	<b>419.212</b>
Trade receivables	20.545	45.902
Other receivables	40.848	51.527
<b>Receivables</b>	<b>61.393</b>	<b>97.430</b>
<b>Cash at bank and in hand</b>	<b>2.837.375</b>	<b>732.758</b>
<b>Current assets</b>	<b>3.276.693</b>	<b>1.249.400</b>
<b>Assets</b>	<b>3.276.693</b>	<b>3.558.557</b>

## Balance Sheet 31 May 2021

### Liabilities

	<b>Note</b>	2020/21	2019/20
		<i>DKK</i>	<i>DKK</i>
Share capital		50.000	50.000
Retained earnings		-122.199	-27.551
<b>Equity</b>		<b>-72.199</b>	<b>22.449</b>
Trade payables		26.743	290.405
Payables to group enterprises		2.847.979	2.754.327
Other payables		474.170	491.376
<b>Short term debt</b>		<b>3.348.892</b>	<b>3.536.108</b>
<b>Debt</b>		<b>3.348.892</b>	<b>3.536.108</b>
<b>Liabilities and equity</b>		<b>3.276.693</b>	<b>3.558.557</b>
<b>Going concern</b>	1		
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## Statement of Changes in Equity

	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total</b>
	<i>DKK</i>	<i>DKK</i>	<i>DKK</i>
Equity at 1 June	50.000	-27.551	22.449
Cash payments concerning formation of entity	0	0	0
Net profit/loss for the year	0	-94.648	-94.648
<b>Equity at 31 May</b>	<b>50.000</b>	<b>-122.199</b>	<b>-72.199</b>

## Notes to Financial Statements

### 1. Going Concern

Due to significant start up costs the Company has obtained a letter of comfort from the Parent Company Scotch and Soda Retail B.V. Which secures the liquidity for the upcoming 12 months. Based on the letter of comfort and expectation to the development in 2020-2021 the financial statements have been prepared under the going concern principle.

### 2. Staff Expense

	2020/21	2019/20
	<i>DKK</i>	<i>DKK</i>
Wages and salaries	714.861	824.555
Pensions	13.357	7.510
Other security expenses	0	0
	<u>728.218</u>	<u>832.065</u>

### Average number of employees

3	4
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### 3. Financial expenses/(income)

Interest paid to group enterprises	56.647	37.949
Other financial expenses	23.378	342
Exchange adjustments, expenses	-14.316	-11.608
	<u>65.709</u>	<u>26.683</u>

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

#### Rental and lease obligations

Lease obligations under operating leases. Total future lease payments

Within 1 year	948.208	1.196.460
Between 1 and 5 years	4.741.042	2.991.150
	<u>5.689.250</u>	<u>4.187.610</u>

### 5. Related parties

#### Basis

#### Consolidated Financial Statements

The company is included in the Group Annual Report of the Parent Company:

Name	Place of registered office
Scotch & Soda Group B.V. (previously Scotch & Soda N.V)	Netherlands

The Group Annual Report of Scotch & Soda Retail B.V. May be obtained at the following address:

**Scotch & Soda Group B.V.**  
**Jacobus Spijkerdreef 20-24**  
**2132 PZ Hoofddorp**  
**Netherlands**

## **6. Accounting Policies**

The Annual Report of Scotch & Soda Retail Denmark ApS 2019/20 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B well as selected rules applying to reporting class C.

The Financial Statements 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, 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.

### **Leases**

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

### **Translation policies**

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**

### **Revenue**

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

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

### **Cost of sales**

Cost of sales comprise the finished goods used to achieve revenue for the year.

### **Other external expenses**

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

### **Gross profit/loss**

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

### **Staff expenses**

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

### **Depreciation**

Depreciation comprise depreciation on 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

## **Balance Sheet**

### **Property, plant and equipment**

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

ICT Hardware:

Other fixtures and fittings, tools and equipment: Leasehold improvements:

3 years

5 years 5-10 years

Depreciation period and residual value are reassessed annually.

### **Impairment of fixed assets**

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed

If so, the asset is written down to its lower recoverable amount.

### **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. 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.

### **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.

### **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 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 mortgage loans and 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.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

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

### **Equity**

#### **Dividend**

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