

ANNUAL REPORT 2021/22

SHAPING NEW TOMORROW HOLDING APS

Financial period 1/10 - 30/9

Shaping New Tomorrow Holding ApS
Østre Havnegade 12, 1. sal th, 9000 Aalborg
Company reg. no. 41 52 95 47

SHAPING NEW TOMORROW®

Shaping New Tomorrow Holding ApS

Østre Havnegade 12, 1. sal th, 9000 Aalborg

Annual report 2021/22 (Financial period 01/10 - 30/9)

Company reg. no. 41 52 95 47

The annual report was submitted and approved by
the general meeting on the 20th of March 2023

Kasper Ulrich
Chairman of the meeting



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MANAGEMENT'S STATEMENT

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Shaping New Tomorrow Holding ApS for the financial year 1 October 2021 - 30 September 2022.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 30 September 2022 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2021/22.

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

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

Aalborg, 20.03.23

Kasper Ulrich

Christoffer Dencker Bak

Christian Aachmann

Henrik Bak

Jesper Buch

Birgit Aaby-Bruun

Michael Mousten Bak

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Shaping New Tomorrow Holding ApS

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 30 September 2022, and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 October 2021 - 30 September 2022 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Shaping New Tomorrow Holding ApS for the financial year 1 October 2021 - 30 September 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional 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.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

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

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

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view in accordance with the Danish Financial

Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material

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

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Aalborg, 20.03.23

PricewaterhouseCoopers
Statsautoriseret
Revisionspartnerselskab

CVR No 33 77 12 31

Rasmus Møllgaard Stenskrøge
State Authorised Public Accountant
mne34161



**MANAGEMENT
COMMENTARY**

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COMPANY INFORMATION

The company Shaping New Tomorrow Holding ApS
Østre Havnegade 12, 1. sal th
DK-9000 Aalborg

CVR No.: 41 52 95 47
Financial period: 1 October - 30 September
Municipality of reg. office: Aalborg

Board of directors Jesper Buch
Kasper Ulrich
Christian Achmann
Christoffer Dencker Bak
Michael Mousten Bak
Henrik Bak
Birgit Aaby-Bruun

Executive Board Kasper Ulrich
Christoffer Dencker Bak
Henrik Bak

Auditors PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Skelagervej 1A
DK- 9000 Aalborg

EXECUTIVE BOARD



KASPER ULRICH



CHRISTOFFER DENCKER BAK



HENRIK BAK



CHRISTIAN AACHMANN



JESPER BUCH



MICHAEL MOUSTEN BAK



BIRGIT AABY-BRUUN

BOARD OF DIRECTORS

GROUP CHART

Parent company

Shaping New Tomorrow
Holding ApS
Aalborg, Danmark
Nom. DKK 62,500

Consolidated subsidiaries

100 %

Shaping New Tomorrow
GmbH
Hamburg, Tyskland
Nom. EUR 500.000

100 %

SNT ApS
Aalborg, Danmark
Nom. DKK 62,500

100 %

Shaping New Tomorrow
Norge AS
Nom. DKK 0
Under incorporation





FINANCIAL HIGHLIGHTS

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Seen over a two-year period, the development of the Group is described by the following financial highlights:

	Group		
KEY FIGURES	2021/22	2020/21	2019/20
	TDKK	TDKK	TDKK
Profit/loss			
Operating profit	32,818	48,476	30,870
Profit/loss before financial income and expenses	32,818	48,476	30,870
Net financials	-537	-326	-254
Net profit/loss for the year	24,891	37,431	23,904
Balance sheet			
Balance sheet total	150,910	135,651	80,493
Equity	108,951	87,075	49,647
Cash flows			
Cash flows from:			
- operating activities	-19,931	67,119	5,960
- investing activities	-27,554	-17,230	-7,482
including investment in tangible assets	-26,966	-13,726	-5,953
- financing activities	-3,000	0	-3,687
Change in cash and cash equivalents for the year	-50,485	49,889	-5,209
Number of employees			
	121	70	30
Ratios			
Return on assets	21,7%	35,7 %	38,4 %
Solvency ratio	72,2%	64,2 %	61,7 %
Return on equity	25,4%	54,8 %	60,6 %

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.



MANAGEMENT'S REVIEW

Introduction to Primary Activities

The Group (Shaping New Tomorrow) designs, produces and sells innovative fashion products directly to consumers (DTC) through an effective collaboration between our own retail stores and a well-established online sales channel. The financial year 2021/22 is the third year for Shaping New Tomorrow Holding ApS, but the eighth financial year for the Group.

Development of the Financial Year 2021/2022

The financial year 2021/22 was characterized by satisfying growth in all the Group's subsidiaries. Considerable investments were made in internationalization and in scaling up the internal set-up in preparation for future growth. With four store openings in Germany and an increasing online presence internationally, this fiscal year had record-high strategic investments. The branch in Portugal, SNT APS, Sucursal em Portugal, have also scaled further up with internal experts to ensure close partnerships and sharing knowledge with suppliers while optimizing the supply chain.

The new stores in Germany were not the only brick-and-mortar developments. The Group also established an office in Copenhagen with the goal of creating a Scandinavian omnichannel footprint in the next few years.

As expected, both SNT ApS and Shaping New Tomorrow GmbH achieved strong growth in revenue and the number of employees compared with last year. The number of employees increased from 120 to 200 at the end of the financial year, which means that we have welcomed 80 "shapers" to the organization within the last financial year. Our four new flagship stores in Germany were significant contributors to this employee growth.

Additionally, throughout the fiscal year, the Group has also invested heavily in recycling initiatives in our product development and expanded our product portfolio with highly sustainable collections. In the financial year 2021/22 (October 1st, 2021, to September 30th, 2022), the Group realized a profit of TDKK 24,891 after tax. This is 34% lower than the



previous financial year but overall according to expectations, due to the Group's planned major investments in the year. These results mean that the Group's equity amounted to TDKK 108.951 as of September 30th, 2022. The Group's results are considered satisfactory and overall in line with the expectations of the Group's growth strategy.

Offline Stores

The expansion of new stores in international markets has continued with the opening of four new stores in Germany – Cologne, Frankfurt, Stuttgart, and Berlin. The Group now has ten physical stores – five in the biggest cities of Denmark and five in Germany. Shaping New Tomorrow's focus on slow fashion, timeless designs, and comfort has proven to be a good fit for German consumers, as the result has been that the German stores have had a positive start and are performing according to the Group's budgets.

The Group is happy to acknowledge increasing expectations from German consumers in terms of products made from sustainable and recycled materials. This also means our continued investments into lines such as Shaping New Tomorrow's Essential collection – made from recycled materials – played a vital role in the positive first years in the German market.

With a total of ten shops by 2022 and a big scale-up of the internal organizational structure, the Group has created a strong foundation for the development of additional retail spaces in the years to come.

The physical stores have significantly contributed to the Group's growth and by the end of the fiscal year, the physical stores were responsible for 48 percent of total revenue.

Online Business

In 2021/22, the Group achieved considerable growth in online revenue across all markets. The Group has seen considerable online growth both in the Scandinavian and German markets.

Growth is expected to continue in 2022/23, but at a lower level due to the current uncertain market situation in Europe.

Within the last nine months of the financial year, we saw a significant increase in the international markets, as these were responsible for generating 36% of the total revenue. We expect the very positive development in the international markets to continue in the coming years.

Objectives and Outlook for the Financial Year 2022/2023

The coming financial year will be affected by increasing uncertainty in the market. War in Europe, inflation, rising interest rates, gas crises, and decreasing

consumer confidence will all impact Shaping New Tomorrow to some extent in the coming year. These macro-financial matrices demand a focused and much more cautious, sustainable growth strategy, and they require a lean and efficient organization. The goal is continuous, sustainable growth with a clear acknowledgment of the global uncertainty in the macroeconomic situation. Therefore, the fiscal year 2022/23 will be concentrated on investments into the current core markets and a constant focus on adapting investments in a changing environment. However, the Group will continue to explore the possibilities of further geographical omnichannel expansion in Scandinavia.

The direct-to-consumer model in Denmark has also proven to work well in Germany. In combination with an effective omnichannel model, it offers a solid foundation for entering new markets and cities, as well as achieving greater synergies between online sales and a local physical presence.

In the next financial year, the Group expects to see continued revenue growth as a result of improving efficiency in core activities and due to our investments in digital and omnichannel strategies. The expected growth in revenue, investments made and continuing investment, is anticipated to increase the result before tax with between 20% - 40% for the financial year 2022/23 compared to 2021/22.

Focus on Recycling, Environment, and Climate

In the coming years, the Group intends to expand its ambitions regarding recycling and zero waste projects that were initiated in 2018/19. Recycling is one of the core projects of the Group's approach to zero waste, and the goal is to incorporate recycling into all parts of the business, where this is possible. The development of the Essential collection is one example. Only high-tech fibers are used for the fabric, which is partly made from plastic bottles. In this way, a basic and abundant material is recycled and used in new, innovative garments. In this financial year, the Essential collection was expanded with new products, and the Group continues to invest in the research and development of more sustainable garments. In total, the Group's continued development of clothes containing recycled materials such as the Essential collection has made it possible to recycle more than 9 million used plastic bottles.

Downcycling and reusing excess materials, scraps, waste, and worn-down products as much as possible are also focal points in production. This is carried out together with partners in order to develop new accessories and products made from recycled materials. One example is the development of furniture, interior furnishings, and other equipment in Shaping New Tomorrow's physical shops and offices.





The Group's objective is for the development of new, innovative materials and products to be supported by a determined effort to minimise the impact on the environment and climate as far as possible.

Continued Strong Digital Investments

Since the beginning of 2015, the Group's business development has been based on a strong digital foundation. That applies to production, administration, marketing, shops, etc.

In 2020/21, the Group initiated a range of investment and development projects to further strengthen the digital foundation. Among other things, the ERP systems were improved to provide a solid data foundation and visibility for improving decision-making and the employees' daily business.

In addition, the Group is investing in the seamless omnichannel experience to strengthen the customer journey. These investments have already made a

positive revenue contribution. Several of our external providers and agencies have been consolidated over the past year to accommodate even more scalable digital solutions in the future.

The ambition is to always have easy access to 'best-of-breed' solutions, and therefore this development has continued in 2021/2022 and will continue going forward. Investing in new technology ensures that the Group can make strategic decisions based on valid data and insights into products, performance, shops, online sales, trends, etc.

The strong technological focus of the Group is based on the vision of being the leading tech brand in the fashion industry. This also applies to production, where the Group develops its own high-tech materials which give the clothes innovative and more sustainable features.

Employees Are the Key to Stable Growth

Our employees (Shapers) are the backbone of our company, and they are an important factor in the continued development of Shaping New Tomorrow. The Group focuses on having the right capabilities internally to support the strategy going forward – by providing a better picture of the current performance and the potential of the entire Shaping New Tomorrow workforce.

In the coming year, the Group will focus on the employee life cycle by building excellent leadership, strengthening retention, developing competencies needed for the future, and growing an even stronger and united culture in all areas of the business. The aim continues to be that our Shapers love their jobs, their careers, their colleagues, their leaders, and their possibilities within the Group.





CONSOLIDATED AND PARENT COMPANY FINANCIAL STATEMENT

	Note	Group		Parent	
		2021/22 TDKK	2020/21 TDKK	2021/22 TDKK	2020/21 TDKK
INCOME STATEMENT 1 OCTOBER - 30 SEPTEMBER					
Gross profit		96,622	80,702	-36	-19
Staff costs	2	-56,372	-27,056	0	0
Depreciation and write-down relating to intangible and tangible fixed assets	3	-6,925	-4,905	0	0
Other operating expenses		-507	-265	0	0
Operating profit		32,818	48,476	-36	-19
Financial income	4	5	87	14	10
Financial expenses	5	-542	-413	-104	-11
Profit before tax		32,281	48,150	-126	-20
Tax on profit for the year	6	-7,390	-10,719	27	4
Net profit for the year		24,891	37,431	-99	-16

	Note	Group		Parent	
BALANCE SHEET 30 SEPTEMBER		2021/22	2020/21	2021/22	2020/21
Assets		TDKK	TDKK	TDKK	TDKK
Other intangible assets		1,508	1,793	0	0
Intangible assets	7	1,508	1,793	0	0
Other fixtures and fittings, tools and equipment		3,480	1,573	0	0
Leasehold improvements		33,121	14,396	0	0
Tangible assets	8	36,601	15,969	0	0
Investments in subsidiaries	9	0	0	29,462	25,929
Deposits	10	3,433	3,333	0	0
Fixed asset investments		3,433	3,333	29,462	25,929
Fixed assets		41,542	21,095	29,462	25,929

	Note	Group		Parent	
		2021/22 TDKK	2020/21 TDKK	2021/22 TDKK	2020/21 TDKK
BALANCE SHEET 30 SEPTEMBER					
Assets					
Raw materials and consumables		12,500	8,226	0	0
Finished goods and goods for resale		70,149	31,495	0	0
Inventories		82,649	39,721	0	0
Trade receivables		6,182	4,327	0	0
Other receivables		296	311	0	0
Receivables from group enterprises		0	0	1,427	1,414
Corporation tax receivable from group enterprises		0	0	6,407	11,127
Deferred tax asset	11	0	224	0	0
Prepaid expenses	12	1,728	975	0	0
Receivables		8,206	5,837	7,834	12,541
Cash at bank and in hand		18,513	68,998	78	5
Currents assets		109,368	114,556	7,912	12,546
Assets		150,910	135,651	37,374	38,475

	Note	Group		Parent	
		2021/22 TDKK	2020/21 TDKK	2021/22 TDKK	2020/21 TDKK
BALANCE SHEET 30 SEPTEMBER					
Liabilities and equity					
Share capital		63	63	63	63
Reserve for exchange rate adjustments of foreign subsidiaries		-18	-3	0	0
Retained earnings		108,906	87,015	22,526	25,625
Equity		108,951	87,075	22,589	25,688
Deferred tax	11	268	0	0	0
Other provisions	14	3,540	3,566	0	0
Provisions		3,808	3,566	0	0
Prepayments received from customers		4,678	3,052	0	0
Trade payables		12,926	20,695	0	0
Payables to group enterprises		0	0	9,927	2,094
Corporation tax		5,316	10,643	4,798	10,643
Other payables		13,316	10,620	60	50
Accrued income	15	1,915	0	0	0
Short-term debt		38,151	45,010	14,785	12,787
Debt		38,151	45,010	14,785	12,787
Liabilities and equity		150,910	135,651	37,374	38,475

Subsequent events

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Distribution of profit

13Contingent assets, liabilities and
other financial obligations**18**

Related parties

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Accounting Policies

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STATEMENT OF CHANGES IN EQUITY	Share capital	Reserve for exchange rate adjustments	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Group 2021/22				
Equity 1. October	63	-3	87,015	87,075
Extraordinary dividend paid	0	0	-3,000	-3,000
Net profit/loss for the year	0	0	24,891	24,891
Exchange rate adjustments of foreign subsidiaries	0	-15	0	-15
Equity 30 September	63	-18	108,906	108,951
Group 2020/21				
Equity 1 October	63	0	49,584	49,647
Net profit/loss for the year	0	0	37,431	37,431
Exchange rate adjustments of foreign subsidiaries	0	-3	0	-3
Equity 30 September	63	-3	87,015	87,075

STATEMENT OF CHANGES IN EQUITY			
	Share capital TDKK	Retained earnings TDKK	Total TDKK
Parent 2021/22			
Equity 1 October	63	25,625	25,688
Extraordinary dividend paid	0	-3,000	-3,000
Net profit/loss for the year	0	-99	-99
Equity 30 September	63	22,526	22,589
Parent 2020/21			
Equity 1 October	63	25,641	25,704
Net profit/loss for the year	0	-16	-16
Equity 30 September	63	25,625	25,688

	Note	Group	
CASH FLOW STATEMENT 1 OCTOBER - 30 SEPTEMBER		2021/22	2020/21
		TDKK	TDKK
Net profit/loss for the year		24,891	37,431
Adjustments	16	15,034	16,161
Change in working capital	17	-47,094	20,391
Cash flows from operating activities before financial income and expenses		-7,169	73,983
Financial income		5	87
Financial expenses		-542	-413
Cash flows from ordinary activities		-7,706	73,657
Corporation tax paid		-12,225	-6,538
Cash flows from operating activities		-19,931	67,119
Acquisition intangible assets		-488	-1,469
Acquisition tangible assets		-26,966	-13,726
Investment in deposits		-386	-2,035
Disposals of deposits		286	0
Cash flows from investing activities		-27,554	-17,230
Raising of loans from group enterprises		0	0
Dividend paid		-3,000	0
Cash flows from financing activities		-3,000	0

Continues on next page >

	Note	Group	
		2021/22	2020/21
		TDKK	TDKK
CASH FLOW STATEMENT 1 OCTOBER - 30 SEPTEMBER			
Change in cash and cash equivalents		-50,485	49,889
Cash and cash equivalents at 1 October		68,998	19,109
Cash and cash equivalents at 30 September		18,513	68,998
Cash and cash equivalents are specified as follows: Cash at bank and in hand		18,513	68,998
Cash and cash equivalents at 30 September		18,513	68,998

**NOTES
TO THE FINANCIAL
STATEMENTS**

2020

1 - SUBSEQUENT EVENTS

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

2 - STAFF COST

	Group		Parent	
	2021/22 TDKK	2020/21 TDKK	2021/22 TDKK	2020/21 TDKK
Wages and salaries	50,624	24,856	0	0
Pensions	2,742	1,257	0	0
Other social security expenses	3,006	943	0	0
Total Staff expenses	56,372	27,056	0	0
Including remuneration to the Executive Board	2,998	1,583	0	0
Average number of employees	121	70	0	0

3 - DEPRECIATION AND WRITE-DOWN RELATING TO INTANGIBLE AND TANGIBLE FIXED ASSETS

	Group		Parent	
	2021/22 TDKK	2020/21 TDKK	2021/22 TDKK	2020/21 TDKK
Amortisation of intangible assets	773	236	0	0
Depreciation of tangible assets	6,334	3,006	0	0
Impairment of tangible assets	0	1,663	0	0
Cash contribution and project funds	-182	0	0	0
Total depreciation and writedown	6,925	4,905	0	0

4 - FINANCIAL INCOME

	Group		Parent	
	2021/22 TDKK	2020/21 TDKK	2021/22 TDKK	2020/21 TDKK
Other financial income	5	22	0	0
Foreign exchange adjustment, profit	0	65	0	0
Interest paid from group enterprises	0	0	14	10
Total financial income	5	87	14	10

5 - FINANCIAL EXPENSES

	Group		Parent	
	2021/22 TDKK	2020/21 TDKK	2021/22 TDKK	2020/21 TDKK
Other financial expenses	262	163	8	0
Interest paid to group enterprises	0	0	96	11
Foreign exchange adjustment, loss	280	250	0	0
Total financial expenses	542	413	104	11

6 - TAX ON PROFIT/LOSS FOR THE YEAR

	Group		Parent	
	2021/22 TDKK	2020/21 TDKK	2021/22 TDKK	2020/21 TDKK
Current tax for the year	6,898	11,123	-27	-4
Deferred tax for the year	492	-404	0	0
Adjustment of tax concerning previous years	0	0	0	0
Total tax for the year	7,390	10,719	-27	-4

7 - INTANGIBLE ASSETS**Other intangible assets**

Group	2021/22	2020/21
	TDKK	TDKK
Cost at 1 October	2,109	640
Additions for the year	488	1,469
Cost at 30 September	2,597	2,109
Opening amortisation	316	80
Amortisation for the year	773	236
Closing amortisation	1,089	316
Carrying amount at 30 September	1,508	1,793

Completed development projects relate to the design and development of websites, development and implementation of ERP, development of data processing system, and different design solutions for both stores and online. All costs are external based costs. No internal cost have been recognized. All development and costs relates to systems and solution, which all are finalized, and will be used for the continuing growth for the Group.

8 - TANGIBLE ASSETS

Group	Leasehold improvements		Other fixtures and fittings, tools and equipment	
	2021/22 TDKK	2020/21 TDKK	2021/22 TDKK	2020/21 TDKK
Cost at 1 October	18,752	6,763	2,760	1,415
Additions for the year	23,885	12,339	3,081	1,387
Disposals for the year	0	-350	0	-42
Cost at 30 September	42,637	18,752	5,841	2,760
Opening depreciation	4,356	526	1,187	523
Impairment losses for the year	0	1,663	0	0
Depreciation for the year	5,160	2,302	1,174	704
Reversed depreciation for the year of disposals	0	-133	0	-40
Closing depreciation	9,516	4,356	2,361	1,187
Carrying amount at 30 September	33,121	14,396	3,480	1,573

9 - INVESTMENTS IN SUBSIDIARIES

Parent	2021/22	2020/21
	TDKK	TDKK
Cost at 1 October	25,929	25,929
Additions for the year	3,533	0
Carrying amount at 30 September	29,462	25,929

Which is specified as:

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit/loss for the year
SNT ApS	Aalborg	TDKK 63	100 %	111,774	24,366
Shaping New Tomorrow GmbH	Hamburg	TEUR 500	100 %	4,927	1,485

10 - DEPOSITS

Group	2021/22	2020/21
	TDKK	TDKK
Cost at 1 October	3,333	1,298
Additions for the year	386	2,035
Deposits disposals for the year	-286	0
Carrying amount at 30 September	3,433	3,333

11 - DEFERRED TAX

	Group		Parent	
	2021/22 TDKK	2020/21 TDKK	2021/22 TDKK	2020/21 TDKK
Provision for deferred tax at 1 October	-224	180	0	0
Deferred tax for the year	492	-404	0	0
Provision for deferred tax at 30 September	268	-224	0	0

The deferred tax asset relates to development projects, machinery and equipment, leasehold improvements, inventories and trade receivables. The deferred tax asset is expected to be utilized in the foreseeable future based on the budgeted future earnings.

12 - PREPAYMENTS AND ACCRUED INCOME

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

13 - DISTRIBUTION OF PROFIT

Parent	2021/22 TDKK	2020/21 TDKK
Retained earnings	-99	-16
Carrying amount at 30 September	-99	-16

14 - OTHER PROVISIONS

Group	2021/22 TDKK	2020/21 TDKK
Other provisions	3,540	3,566
Total	3,540	3,566

Other provisions have been recognized of TDKK 3.540 which relate to returns, and expected claims, due to the Groups policy for return and guarantee for the customers.

15 - ACCRUED INCOME

Accrued income under short term debt, consist recieved contributions regarding establsihment of stores.

16 - CASH FLOW STATEMENT - ADJUSTMENTS

Group	2021/22 TDKK	2020/21 TDKK
Financial income	-5	-87
Financial expenses	542	413
Amortisation and depreciation	7,107	5,116
Tax on profit	7,390	10,719
Total	15,034	16,161

17 - CASH FLOW STATEMENT - CHANGE IN WORKING CAPITAL

Group	2021/22	2020/21
	TDKK	TDKK
Change in inventories	-42,928	-10,343
Change in receivables	-2,593	17,407
Change in other provisions	-26	1,357
Change in trade payables, etc.	-1,547	11,970
Total	-47,094	20,391

18 - CONTINGENT ASSETS, LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

	Group		Parent	
Rental and lease obligations (Total future payments)	2021/22	2020/21	2021/22	2020/21
	TDKK	TDKK	TDKK	TDKK
Within 1 year	19,762	10,013	0	0
Between 1 and 5 years	60,326	36,781	0	0
After 5 years	6,232	3,147	0	0
Total	86,320	49,941	0	0

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 by the Group amounts to TDKK 4,798. 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.

19 - RELATED PARTIES

The Group has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c) (7) of the Danish Financial Statements Act. The Group has no transactions to report.

20 - ACCOUNTING POLICIES

The Annual Report of In Commodities A/S for 2021/22 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year. The Financial statements for 2021/22 are presented in TDKK.

CONSOLIDATED FINANCIAL STATEMENTS

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.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Shaping New Tomorrow Holding ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income

and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

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.

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.

Leases

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.

20 - ACCOUNTING POLICIES

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 Group.

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.

Other external expenses

Other external expenses comprise expenses for premises, sales and distribution 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, other operating income, expenses for raw materials and consumables and other external expenses.

Staff expenses

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

Amortisation, depreciation and impairment losses

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

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale 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 100% owned Danish subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

20 - ACCOUNTING POLICIES

BALANCE SHEET

Intangible assets

Costs of development projects comprise expenses directly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets.

This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs. Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 3-5 year.

Tangible assets

Tangible assets 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:

Other fixtures and fittings, tools and equipment	2-5 years
Leasehold improvements	5-10 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed

on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Assets for which a separate value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together with the group of assets to which they are attributable.

Investments in subsidiaries

Investments in subsidiaries are recognised at cost.

Fixed asset investments

Fixed asset investments consist of deposits from leasehold. Fixed asset investments are measured at cost.

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, raw materials and consumables 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.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Provisions

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

Other provisions include returns as well as expected claims for complaints. Provisions are measured and recognised based on experience with returns and claims.

Equity

Dividend

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

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

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

20 - ACCOUNTING POLICIES

CASH FLOW STATEMENT

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

FINANCIAL HIGHLIGHTS

Explanation of financial ratios

Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$

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