

ANNUAL REPORT 2022/23

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 2022/23 (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 26th of March 2024

Kasper Ulrich
Chairman of the meeting



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REPORTS

A smiling man in a grey suit is walking towards the camera in a modern hallway. The hallway has wood-paneled walls and large windows on the right side. The man is wearing a grey blazer, a black shirt, and grey trousers. He is holding a folder or tablet under his left arm. The word "REPORTS" is overlaid in large white letters across the center of the image.

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 2022 - 30 September 2023.

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 2023 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2022/23.

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, 26.03.24

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 2023, 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 2022 - 30 September 2023 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 2022 - 30 September 2023, 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, 26.03.24

PricewaterhouseCoopers
Statsautoriseret
Revisionspartnerselskab

CVR No 33 77 12 31

Rasmus Møllgaard Stenskrøg
State Authorised Public Accountant
mne34161

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MANAGEMENT COMMENTARY

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 Aachmann
Christoffer Dencker Bak
Michael Mousten Bak
Henrik Bak
Birgit Aaby-Bruun

Executive Board Kasper Ulrich
Christoffer Dencker Bak

Auditors PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Skelagervej 1A
DK- 9000 Aalborg



KASPER ULRICH



CHRISTOFFER DENCKER BAK

EXECUTIVE BOARD



HENRIK BAK



CHRISTIAN AACHMANN



JESPER BUCH



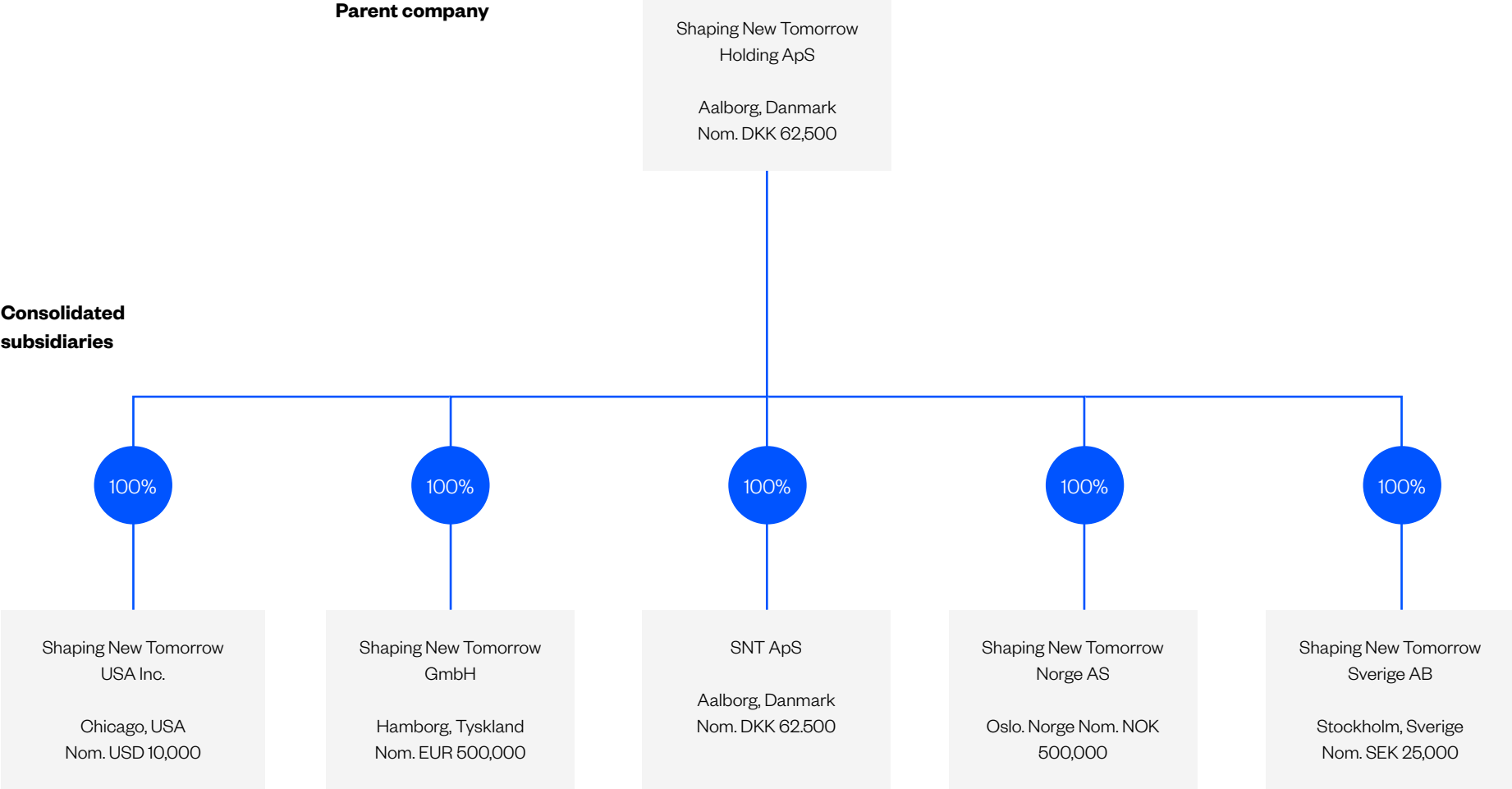
MICHAEL MOUSTEN BAK



BIRGIT AABY-BRUUN

BOARD OF DIRECTORS

GROUP CHART



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FINANCIAL HIGHLIGHTS



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

	Group			
KEY FIGURES	2022/23	2021/22	2020/21	2019/20
	TDKK	TDKK	TDKK	TDKK
Profit/loss				
Operating profit	25,161	32,818	48,476	30,870
Profit/loss before financial income and expenses	25,161	32,818	48,476	30,870
Net financials	-409	-537	-326	-254
Net profit/loss for the year	19,107	24,891	37,431	23,904
Balance sheet				
Balance sheet total	189,266	150,910	135,651	80,493
Equity	125,049	108,951	87,075	49,647
Cash flows				
Cash flows from:				
- operating activities	58,512	-19,931	67,119	5,960
- investing activities	-10,060	-27,554	-17,230	-7,482
including investment in tangible assets	-8,558	-26,966	-13,726	-5,953
- financing activities	-3,000	-3,000	0	-3,687
Change in cash and cash equivalents for the year	45,452	-50,485	49,889	-5,209
Number of employees				
	135	121	70	30
Ratios				
Return on assets	13,3%	21,7%	35,7 %	38,4 %
Solvency ratio	66,1%	72,2%	64,2 %	61,7 %
Return on equity	16,3%	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

In the dynamic landscape of the fashion industry, The Group (Shaping New Tomorrow) stands out with its Direct-to-Consumer (D2C) model. We design, produce, and sell innovative fashion products, delivering exceptional value by crafting superior products with high-quality fabrics and skilled craftsmanship, all while maintaining accessibility in our pricing.

With a clear strategy, we take ownership of the customer journey, ensuring each interaction reflects our dedication to creating remarkable online and offline experiences.

Our dedication extends to building enduring relationships with our customers. Loyal customers are not just a metric; they are the cornerstone of our success, as they provide invaluable feedback on the products, enabling us to constantly improve in close cooperation with them.

DEVELOPMENT OF THE FINANCIAL YEAR 2022/2023

Despite navigating challenging market conditions, the Group has demonstrated resilience and achieved respectable revenue growth.

While we continue to invest significantly in internationalization, new products, the use of recycled materials, and new segments within our new women's collections, as well as fortifying the groundwork for our future expansion, we acknowledge the need for strategic adjustments. In contrast to previous years, the growth trajectory is more moderate and on track given the current market dynamics.

One noteworthy development was the opening of our new flagship store in Denmark, marking the sole store opening within our home country for the year – a store that has since developed to become the new flagship store for our physical retail setup and a huge success.

Simultaneously, our Portuguese branch, SNT APS, Sucursal em Portugal, expanded its operations, fostering closer partnerships, and knowledge-sharing with suppliers while optimizing the supply chain.



Throughout the fiscal year, the Group intensified its focus on sustainability by significantly investing in circular materials within our product development. Despite rising production costs, we continued expanding our Essential collection and introduced multiple new products made from recycled materials. This strategic effort remains a priority for the Group, as we are focused on innovating fashion with products made from circular materials.

These deliberate investments have influenced our financial performance in a year where our dedication to delivering high-quality fabrics and innovating long-lasting products at accessible prices has resulted in increased material and production costs. Despite these challenges, we have chosen to absorb most of these costs, aligning with our DNA of delivering value for money to our customers. This strategic decision has decreased our overall result.

For the financial year 2022/23 (October 1st, 2022, to September 30th, 2023), the Group achieved a profit of TDKK 19,107 after tax, representing a decline of 23% compared to the previous financial year and lower than estimated growth of 20%-40% of result before tax going into the year. However, considering the prevailing market conditions and the continued extensive investments made during the year, the result is deemed acceptable. As of September 30th, 2023, the Group's equity stands at TDKK 125,049, underscoring the solidity of our financial position. The results, reflecting our

strategic choices, remain in line with the overarching growth strategy of the Group. As we navigate the evolving landscape, our commitment to quality, innovation, and exceptional customer experiences positions us strategically for the future.

There has been no uncertainty regarding recognition and measurement in the Annual Report and the financial position at 30 September 2023 of the Group and the results of the activities and cash flows of the Group for the financial year for 2022/23 have not been affected by any unusual events.

PHYSICAL STORES

Our recent expansion includes a flagship store on Købmagergade, Copenhagen, and a women's pop-up store from March to June 2023. With a total of ten physical stores in key cities across Denmark and Germany and plans for more, we have laid a strong foundation for future retail spaces, emphasizing our dedication to an immersive offline shopping experience.

Our strong efforts in creating remarkable omni-channel experiences, delivering high-quality fabrics, and innovating long-lasting products have resonated well in Denmark as well as with the German consumers, contributing to sustained revenue growth. Our physical stores contributed significantly to our growth, constituting 52 percent of total revenue by the end of the fiscal year.

ONLINE BUSINESS

In 2022/23, the Group strategically invested in the Scandinavian and German markets, witnessing growth towards the fiscal year-end. This momentum is expected to continue in 2023/24, albeit at a moderated pace due to European market uncertainties.

Building on success in Scandinavia and Germany, we emphasize localized strategies and a seamless online experience. June 2023 marked the launch of the Group's first online store in the US, catering to American consumer preferences.

Our strategic online investments position us for sustained growth. Learning from past successes and adapting to market trends, we are well-prepared to navigate challenges and capitalize on opportunities in current and new European markets, as well as the potential future US market.

ELEVATING QUALITY, LONGEVITY, AND ENVIRONMENTAL IMPACT IN EVERY STITCH

We are aware of our position within the fashion and consumables industries and commit to addressing our environmental footprint. Therefore in the years ahead, our Group is poised to elevate its commitment to circularity and zero waste initiatives, building upon the groundwork laid in 2018/19. Recycling is an important element within the Group's comprehensive strategy towards achieving zero waste. The overarching objective is to seamlessly integrate recycling practices across all facets of the business wherever feasible, with a particular focus on making products that endure and utilizing high-quality materials throughout the entire product pipeline.

A tangible manifestation of this commitment is evident by expanding the Essential collection. This collection symbolizes a paradigm shift, utilizing exclusively high-tech fibers. In the financial year, the Essential collection witnessed expansion with the introduction of new products, underscoring the Group's sustained investment in the research and development fashion made from circular materials. Notably, the ongoing evolution of clothing, such as the Essential collection, has facilitated the recycling of over 10 million wasted plastic bottles.

The Group remains steadfast in its commitment to circularity by upcycling, repurposing and downcycling excess materials, scraps, waste, and worn-down products. Collaborating closely with partners, this initiative aims create new accessories and products crafted from our waste, thereby extending the lifetime of the material resource. An illustrative case in point is our venture into the development of furniture, interior furnishings, and other amenities for Shaping New Tomorrow's physical outlets and offices.

In tandem with these efforts, it is crucial to recognize that sustainability extends beyond mere recycling. While recycling is integral, sustainability in products requires a holistic approach, also focusing on physical durability, emotional resonance, and fit-for-purpose design. The amalgamation of these principles ensures that products not only endure but also become cherished, maintained, and reused over time. To us, waste is a resource for something else, to give a second life.





INTELLECTUAL CAPITAL: OUR STRATEGIC ASSET

In our pursuit of innovation and excellence, our intellectual capital is paramount. This encompasses the exceptional talents of our people, IT systems, and the strategic use of data. Our team's expertise fuels our creativity and operational efficiencies, while our IT infrastructure ensures seamless integration and robust security. Data, as the cornerstone of our decision-making, drives our insights and strategies, enabling us to stay ahead in a competitive landscape. Together, these elements form the backbone of our success, fostering a culture of continuous improvement and value creation.

OBJECTIVES AND OUTLOOK FOR THE FINANCIAL YEAR 2023/2024

In the upcoming financial year, we expect to confront continued market uncertainties influencing consumer confidence and, perhaps, even further economic recession. The prevailing macro-financial conditions call for a focused and sustainable growth strategy and for a lean and efficient approach to navigate the challenges ahead.

Strategic Focus

The core objective for the fiscal year 2023/24 is to pursue continuous, sustainable growth while acknowledging the global economic uncertainty. This strategy will be driven by a strong commitment to agility, preserving our entrepreneurial spirit, and fostering a culture of discipline. These principles will guide our actions as we take deliberate and persistent steps towards realizing our vision.

Market Expansion Strategies

To embody these principles, the focus will be on targeted investments in our current core markets, particularly in the Scandinavian and German markets. The successful direct-to-consumer model in Denmark will be adapted and strengthened in Germany, providing a robust foundation for market expansion, such as in Scandinavia with physical stores. Embracing an effective omnichannel approach will allow us to enter new markets and cities, fostering synergies between online sales and local physical presence.

Expectations for 2023/2024:

In the financial year 23/24, the Group expects modest revenue growth, driven by focus on core activities and strategic investments in our physical, digital and omnichannel strategies. The expected revenue growth, coupled with ongoing investments and market uncertainties, is projected to give a result before tax of 3 to 5 MDKK. for the financial year 2023/24.. This reflects our focus on long-term growth and investment, ensuring we are well-prepared to scale and succeed in the evolving market landscape.

Conclusion

Despite market uncertainties, our focused and cautious approach aims for sustained growth in alignment with the dynamic macroeconomic landscape. By capitalizing on our already successful D2C model and embracing digital strategies, we will navigate the challenges ahead while strengthening our market presence. The fiscal year 2023/24 is positioned as a period of strategic concentration, aiming not only to weather market uncertainties but also to emerge even stronger and more resilient



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CONSOLIDATED AND PARENT COMPANY FINANCIAL STATEMENT

	Note	Group		Parent	
		2022/23 TDKK	2021/22 TDKK	2022/23 TDKK	2021/22 TDKK
INCOME STATEMENT 1 OCTOBER - 30 SEPTEMBER					
Gross profit		99,380	96,622	-204	-36
Staff costs	2	-63,703	-56,372	0	0
Depreciation and write-down relating to intangible and tangible fixed assets	3	-10,516	-6,925	0	0
Other operating expenses		0	-507	0	0
Operating profit		25,161	32,818	-204	-36
Financial income	4	221	5	24	14
Financial expenses	5	-630	-542	-656	-104
Profit before tax		24,752	32,281	-836	-126
Tax on profit for the year	6	-5,645	-7,390	154	27
Net profit for the year		19,107	24,891	-682	-99

	Note	Group		Parent	
		2022/23 TDKK	2021/22 TDKK	2022/23 TDKK	2021/22 TDKK
BALANCE SHEET 30 SEPTEMBER					
Assets					
Other intangible assets		2,107	1,508	0	0
Intangible assets	7	2,107	1,508	0	0
Other fixtures and fittings, tools and equipment		3,052	3,480	0	0
Leasehold improvements		31,471	33,121	0	0
Tangible assets	8	34,523	36,601	0	0
Investments in subsidiaries	9	0	0	29,908	29,462
Deposits	10	3,378	3,433	0	0
Fixed asset investments		3,378	3,433	29,908	29,462
Fixed assets		40,008	41,542	29,908	29,462

	Note	Group		Parent	
		2022/23 TDKK	2021/22 TDKK	2022/23 TDKK	2021/22 TDKK
BALANCE SHEET 30 SEPTEMBER					
Assets					
Raw materials and consumables		9,345	12,500	0	0
Finished goods and goods for resale		65,483	70,149	0	0
Inventories		74,828	82,649	0	0
Trade receivables		5,592	6,182	0	0
Other receivables		1,416	296	5	0
Receivables from group enterprises		0	0	1,695	1,427
Corporation tax receivable from group enterprises		0	0	4,847	6,407
Prepaid expenses	12	3,457	1,728	0	0
Receivables		10,465	8,206	6,547	7,834
Cash at bank and in hand		63,965	18,513	104	78
Currents assets		149,258	109,368	6,651	7,912
Assets		189,266	150,910	36,559	37,374

	Note	Group		Parent	
		2022/23 TDKK	2021/22 TDKK	2022/23 TDKK	2021/22 TDKK
BALANCE SHEET 30 SEPTEMBER					
Liabilities and equity					
Share capital		63	63	63	63
Reserve for exchange rate adjustments of foreign subsidiaries		-27	-18	0	0
Retained earnings		125,013	108,906	18,843	22,526
Equity		125,049	108,951	18,906	22,589
Deferred tax	11	542	268	0	0
Other provisions	14	3,063	3,540	0	0
Provisions		3,605	3,808	0	0
Prepayments received from customers		7,498	4,678	0	0
Trade payables		27,736	12,926	0	0
Payables to group enterprises		0	0	15,455	9,927
Corporation tax		3,378	5,316	2,163	4,798
Other payables		14,895	13,316	35	60
Accrued income	15	7,105	1,915	0	0
Short-term debt		60,612	38,151	17,653	14,785
Debt		60,612	38,151	17,653	14,785
Liabilities and equity		189,266	150,910	36,559	37,374

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 2022/23				
Equity 1. October	63	-18	108,906	108,951
Extraordinary dividend paid	0	0	-3,000	-3,000
Net profit/loss for the year	0	0	19,107	19,107
Exchange rate adjustments of foreign subsidiaries	0	-9	0	-9
Equity 30 September	63	-27	125,013	125,049
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

STATEMENT OF CHANGES IN EQUITY			
	Share capital TDKK	Retained earnings TDKK	Total TDKK
Parent 2022/23			
Equity 1 October	63	22,526	22,589
Extraordinary dividend paid	0	-3,000	-3,000
Net profit/loss for the year	0	-682	-682
Equity 30 September	63	18,843	18,906
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

	Note	Group	
		2022/23 TDKK	2021/22 TDKK
CASH FLOW STATEMENT 1 OCTOBER - 30 SEPTEMBER			
Net profit/loss for the year		19,107	24,891
Adjustments	16	17,523	15,019
Change in working capital	17	29,600	-47,079
Cash flows from operating activities before financial income and expenses		66,230	-7,169
Financial income		221	5
Financial expenses		-630	-542
Cash flows from ordinary activities		65,821	-7,706
Corporation tax paid		-7,309	-12,225
Cash flows from operating activities		58,512	-19,931
Acquisition intangible assets		-1,557	-488
Acquisition tangible assets		-8,558	-26,966
Investment in deposits		-215	-386
Disposals of deposits		270	286
Cash flows from investing activities		-10,060	-27,554
Dividend paid		-3,000	-3,000
Cash flows from financing activities		-3,000	-3,000

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	Note	Group	
		2022/23	2021/22
		TDKK	TDKK
CASH FLOW STATEMENT 1 OCTOBER - 30 SEPTEMBER			
Change in cash and cash equivalents		45,452	-50,485
Cash and cash equivalents at 1 October		18,513	68,998
Cash and cash equivalents at 30 September		63,965	18,513
Cash and cash equivalents are specified as follows: Cash at bank and in hand		63,965	18,513
Cash and cash equivalents at 30 September		63,965	18,513

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NOTES TO THE FINANCIAL STATEMENTS



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	
	2022/23 TDKK	2021/22 TDKK	2022/23 TDKK	2021/22 TDKK
Wages and salaries	55,940	50,624	0	0
Pensions	3,859	2,742	0	0
Other social security expenses	3,904	3,006	0	0
Total Staff expenses	63,703	56,372	0	0
Including remuneration to the Executive Board	2,746	2,998	0	0
Average number of employees	135	121	0	0

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

	Group		Parent	
	2022/23 TDKK	2021/22 TDKK	2022/23 TDKK	2021/22 TDKK
Amortisation of intangible assets	877	773	0	0
Depreciation of tangible assets	10,491	6,334	0	0
Impairment of tangible assets	110	0	0	0
Cash contribution and project funds	-962	-182	0	0
Total depreciation and writedown	10,516	6,925	0	0

4 - FINANCIAL INCOME

	Group		Parent	
	2022/23 TDKK	2021/22 TDKK	2022/23 TDKK	2021/22 TDKK
Other financial income	51	5	1	0
Foreign exchange adjustment, profit	170	0	23	0
Interest paid from group enterprises	0	0	0	14
Total financial income	221	5	24	14

5 - FINANCIAL EXPENSES

	Group		Parent	
	2022/23 TDKK	2021/22 TDKK	2022/23 TDKK	2021/22 TDKK
Other financial expenses	4	262	14	8
Interest paid to group enterprises	0	0	642	96
Foreign exchange adjustment, loss	626	280	0	0
Total financial expenses	630	542	656	104

6 - TAX ON PROFIT/LOSS FOR THE YEAR

	Group		Parent	
	2022/23 TDKK	2021/22 TDKK	2022/23 TDKK	2021/22 TDKK
Current tax for the year	5,390	6,898	-154	-27
Deferred tax for the year	274	492	0	0
Adjustment of tax concerning previous years	-19	0	0	0
Total tax for the year	5,645	7,390	-154	-27

7 - INTANGIBLE ASSETS**Other intangible assets**

Group	2022/23	2021/22
	TDKK	TDKK
Cost at 1 October	2,597	2,109
Additions for the year	1,557	488
Disposals for the year	-368	0
Cost at 30 September	3,786	2,597
Opening amortisation	1,089	316
Amortisation for the year	877	773
Reversed amortisation for the year of disposals	-287	0
Closing amortisation	1,679	1,089
Carrying amount at 30 September	2,107	1,508

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	
	2022/23 TDKK	2021/22 TDKK	2022/23 TDKK	2021/22 TDKK
Cost at 1 October	42,637	18,752	5,841	2,760
Additions for the year	7,114	23,885	1,444	3,081
Disposals for the year	0	0	-459	0
Cost at 30 September	49,751	42,637	6,826	5,841
Opening depreciation	9,516	4,356	2,361	1,187
Impairment losses for the year	110	0	0	0
Depreciation for the year	8,654	5,160	1,837	1,174
Reversed depreciation for the year of disposals	0	0	-424	0
Closing depreciation	18,280	9,516	3,774	2,361
Carrying amount at 30 September	31,471	33,121	3,052	3,480

9 - INVESTMENTS IN SUBSIDIARIES

Parent	2022/23	2021/22
	TDKK	TDKK
Cost at 1 October	29,462	25,929
Additions for the year	446	3,533
Carrying amount at 30 September	29,908	29,462

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 %	130,126	18,352
Shaping New Tomorrow GmbH	Hamburg	TEUR 500	100 %	6,566	1,625
Shaping New Tomorrow Norway AS	Oslo	TNOK 500	100 %	319	4
Shaping New Tomorrow Sverige AB	Stockholm	TSEK 500	100 %	15	1
Shaping New Tomorrow USA Inc.	Chicago	TUSD 10	100 %	68	1

10 - DEPOSITS

Group	2022/23	2021/22
	TDKK	TDKK
Cost at 1 October	3,433	3,333
Additions for the year	215	386
Deposits disposals for the year	-270	-286
Carrying amount at 30 September	3,378	3,433

11 - DEFERRED TAX

	Group		Parent	
	2022/23 TDKK	2021/22 TDKK	2022/23 TDKK	2021/22 TDKK
Provision for deferred tax at 1 October	268	-224	0	0
Deferred tax for the year	274	492	0	0
Provision for deferred tax at 30 September	542	268	0	0

12 - PREPAYMENTS AND ACCRUED INCOME

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

13 - DISTRIBUTION OF PROFIT

Parent	2022/23 TDKK	2021/22 TDKK
Retained earnings	-682	-99
Carrying amount at 30 September	-682	-99

14 - OTHER PROVISIONS

Group	2022/23 TDKK	2021/22 TDKK
Other provisions	3,063	3,540
Total	3,063	3,540

Other provisions have been recognized of TDKK 3,063 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 regaring estabshment of stores.

16 - CASH FLOW STATEMENT - ADJUSTMENTS

Group	2022/23 TDKK	2021/22 TDKK
Financial income	-221	-5
Financial expenses	630	542
Amortisation and depreciation	11,478	7,107
Tax on profit	5,645	7,390
Exchange rate adjustments	-9	-15
Total	17,523	15,019

17 - CASH FLOW STATEMENT - CHANGE IN WORKING CAPITAL

Group	2022/23	2021/22
	TDKK	TDKK
Change in inventories	7,821	-42,928
Change in receivables	-2,259	-2,593
Change in other provisions	-477	-26
Change in trade payables, etc.	24,515	-1,532
Total	29,600	-47,079

18 - CONTINGENT ASSETS, LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

	Group		Parent	
	2022/23	2021/22	2022/23	2021/22
Rental and lease obligations (Total future payments)	TDKK	TDKK	TDKK	TDKK
Within 1 year	21,283	19,762	0	0
Between 1 and 5 years	47,826	60,326	0	0
After 5 years	2,077	6,232	0	0
Total	71,186	86,320	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 2,163. 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 2022/23 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 2022/23 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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