
SNT ApS

Østre Havnegade 12, 1. th., DK-9000 Aalborg

Annual Report for 1 October 2023 - 30 September 2024

CVR No. 36 73 22 61

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 26/3 2025

Kasper Ulrich
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of SNT ApS for the financial year 1 October 2023 - 30 September 2024.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 30 September 2024 of the Company and of the results of the Company operations for 2023/24.

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 March 2025

Executive Board

Kasper Ulrich
Manager

Christoffer Dencker Bak
Manager

Board of Directors

Jesper Buch

Kasper Ulrich

Christian Aachmann

Christoffer Dencker Bak

Michael Moustén Bak

Birgit Aaby-Bruun

Henrik Bak

Independent Auditor's report

To the shareholder of SNT ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 September 2024 and of the results of the Company's operations for the financial year 1 October 2023 - 30 September 2024 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of SNT ApS for the financial year 1 October 2023 - 30 September 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the 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 Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements 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 financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent Auditor's report

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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Aalborg, 26 March 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Rasmus Møllergaard Stenskrøg

State Authorised Public Accountant

mne34161

Company information

The Company

SNT ApS
Østre Havnegade 12, 1. th.
DK-9000 Aalborg

Website: <https://shapingnewtomorrow.dk>

CVR No: 36 73 22 61
Financial period: 1 October 2023 - 30 September 2024
Incorporated: 5 May 2015
Financial year: 9th financial year
Municipality of reg. office: Aalborg

Board of Directors

Jesper Buch
Kasper Ulrich
Christian Aachmann
Christoffer Dencker Bak
Michael Moustén Bak
Birgit Aaby-Bruun
Henrik Bak

Executive Board

Kasper Ulrich
Christoffer Dencker Bak

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Skibsbyggerivej 5, 4. sal
DK-9000 Aalborg

Financial Highlights

Seen over a 5-year period, the development of the Company is described by the following financial highlights:

	2023/24	2022/23	2021/22	2020/21	2019/20
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Gross profit	62,668	73,221	77,634	78,761	45,256
Profit/loss of primary operations	3,809	21,224	31,955	48,958	30,920
Profit/loss of financial income and expenses	3,921	2,230	-414	-248	-254
Net profit/loss for the year	5,936	18,352	24,366	37,722	23,943
Balance sheet					
Balance sheet total	178,259	190,502	149,426	135,340	80,855
Investment in property, plant and equipment	488	7,359	3,809	6,991	6,141
Equity	131,062	130,126	111,774	87,408	49,686
Number of employees	117	99	93	60	30
Ratios					
Return on assets	2.1%	11.1%	21.4%	36.2%	38.2%
Solvency ratio	73.5%	68.3%	74.8%	64.6%	61.5%
Return on equity	4.5%	15.2%	24.5%	55.0%	60.7%

Management's review

Key activities

Deeply rooted in our successful direct-to-consumer (D2C) model, the Company design, produce, and sell innovative fashion products to both men and women, delivering exceptional value by rafting 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 entire 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.

The financial year 2023/24 is the tenth year for SNT ApS.

Development in the year

In the face of challenging market conditions affected by continued inflation effects and geopolitical uncertainties, a dynamic fashion landscape, and our commitment to long-term growth and strategic investments, we delivered according to prediction results for the financial year spanning 1 October 2023 to 30 September 2024. While revenue remained stable, bottom-line performance surpassed our guidance going into the year.

The Company continued to invest in internationalization laying the foundation for future expansions, new products, the use of recycled materials, and our new women's collections. At the same time, we also acknowledged the need for ongoing strategic adjustments. In contrast to previous years, the Company's growth trajectory is more moderate but remain on track given the current market dynamics.

Our expansion efforts continued unabated, exemplifying our focus on reaching new markets and enhancing customer experiences. Notably, we marked a significant milestone in the financial year by opening our first women's store in Aalborg, Denmark. An essential step in accelerating the growth and our investments in the thriving and expanding women's universe first launched in 2022.

Our Portuguese branch, SNT APS Sucursal em Portugal, continued the strategic expansion of our supplier portfolio to not only reduce production risks but also guarantee the delivery of premium quality products to more costumers and markets.

Throughout the fiscal year, the Company demonstrated our commitment to sustainability by making investments in recycling and reusable materials as part of our product development strategy. In addition, the Company has invested further in our zero-waste commitment e.g. by finding local partners to reuse and recycle our textile waste.

Despite rising production costs again in 2023/24, we continue to use Portugal as our main supplier market. With an eye for innovation, quality and durability, we have expanded our Women's Essential Collection and launched several innovative new products crafted from blended materials that includes organic, recycle and trademarked fibres. This strategic focus on near shore, high-tech production in Europe underscores our dedication to redefining fashion through material innovation while at the same time securing our supply chain.

Despite rising material and production costs, we made a conscious decision to absorb the majority of these increases, staying true to our core values and DNA of providing premium products with exceptional value for money to our customers. A strategic choice that, together with our continued investments, is affecting the overall financial result, while reflecting our long-term ambition to prioritizing customer trust and satisfaction as the key to sustainable growth in the years to come.

For the financial year 2023/24 (October 1st, 2023, to September 30th, 2024), the Company achieved a profit of TDKK 7,730 before tax. The result is higher than expected going into the year, surpassing the initial projected result before tax of 3 to 4 MDKK. The improved result is due to a combination of our strategic choices mentioned above and remain in line with the overarching long term growth strategy of the Company.

Management's review

Considering the prevailing market conditions and continued extensive investments, the result is acceptable. As of September 30th, 2024, the Company's equity stands at TDKK 131.062, underscoring the solidity of the Company's financial position. There has been no uncertainty regarding recognition and measurement in the Annual Report. Also, the financial position of the Company and the results of the activities and cash flow for the financial year 2023/24 have not been affected by any unusual events.

Physical Stores

The Company celebrated a major milestone by inaugurating our very first women's store in Aalborg, Denmark, underscoring our commitment to accommodating our fast-growing female customer base. The Group's international expansion continued with the opening of two new stores in Sweden, Stockholm and Gothenburg, marking a significant step in strengthening our presence in the Scandinavian market.

With these developments, the Group now operates thirteen physical stores: Six in Denmark, five in Germany, and two in Sweden. Our continued strategic investment in expanding physical retail in key markets demonstrates our dedication to delivering extraordinary retail shopping experiences that complement our omnichannel approach.

Online business

In 2023/24, the Company strategically deepened its online investments in the Scandinavian and German markets reflecting opportunities while remaining mindful of ongoing uncertainties in the European market, which are anticipated to persist into the current financial year.

Investments in our online business continue to be a vital element in our long-term growth efforts across both established and new markets. Most notably supporting the high growth in the women's segment online with a momentum that we expect to sustain into 2024/25. In the US market, our presence remains in the exploration phase, representing a potential future growth area.

Our strategic investments in online channels have positioned the Company for long-term success. By building on past achievements and staying attuned to evolving market trends, we are confident in our ability to navigate present challenges while unlocking opportunities in existing European markets as well as exploring potential markets for the future. Consequently, we expect a stable development in our online business, in 2024/25.

Management's review

Women's universe

Launched in 2022, Women's universe is rapidly evolving and expanding, marking a significant growth opportunity for the Company. Throughout the year, we introduced numerous new styles and innovative features to this dynamic segment, yielding impressive double-digit growth rates.

This success is driven by enthusiastic interest and feedback from women in both Denmark and our international markets, underscoring our ability to resonate with this new key demographic for the Company.

Our commitment to women customers is evident in our strategic investments, which have focused on enhancing the selection available in our physical stores and launching the Company's first dedicated women's store in Aalborg. This not only solidifies our presence but also creates an immersive shopping experience tailored to women's needs.

Furthermore, we strengthened our organizational capabilities by onboarding dedicated and experienced professionals in women's design and clothing, ensuring that we continuously meet and exceed customer expectations.

Looking into 2024/25, the Company is poised to further invest in Women's universe, aiming to enhance our online experience and expand our product offerings. This strategic focus reflects our belief in the vast potential of this market segment. Additionally, we will gradually integrate women's collections into our German and Swedish stores, bolstered by targeted marketing investments in our international markets.

Strategically, Women's universe represents an untapped growth opportunity for the Company. With our continued commitment to innovation and customer satisfaction, we are excited about the prospect of driving further success in the years to come.

Quality and Longevity in Every Stitch

The Company remain highly aware of our commitment to addressing our environmental footprint. Therefore, in the years ahead, the Company is poised to further elevate our circularity and zero waste initiatives, building upon the groundwork laid in 2018/19.

Recycling is an important element in the Company's 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 demonstration of this commitment is our continued optimization of hero products made from conventional cotton to a recycled blend utilizing exclusively high-tech fibres such as the Classic Pants and the new Gen2 Pants to the Classic Shirt and Travel Shirt.

The Company also continues to improve our circularity by upcycling, repurposing and recycling excess materials, scraps, waste, and worn-down products. Collaborating closely with local partners, we invest in circular initiatives to extend the lifetime of our material resource.

Within the Company, the supply chain and purchasing departments work together with CSR, compliance and quality departments for verification of the production facilities proposed by suppliers before any order confirmation. This ensures that our requirements are met in all areas. All CSR policies and standards are focused to promote good business practice along the supply chain and the respect for human and animal rights in the production facilities. Our suppliers are our most important strategic partners to reach our ambitions.

The Company is committed to building high standards of environmental, social, and governance responsibility by promoting honesty and transparency throughout its business and supply chain.

Management's review

Intellectual Capital: Our Strategic Asset

The talent of our employees along with our digital ability and strategic approach to data are key to the Company's continued pursuit of innovation, excellence and success.

As our team's expertise, creativity and agility continues to fuel operational efficiencies and business innovation, our investments in digital resources and our data driven approach form the backbone of the Company's future growth and success. In our pursuit of innovation and excellence, our intellectual capital is paramount.

Objectives and outlook for the financial year 2024/25

In the financial year 2024/25, the Company anticipate continued market uncertainties that may influence consumer confidence. Even if we have seen improving market conditions in some of our markets economic recession remain a risk. Thus, prevailing macroeconomic challenges demand a focused, sustainable growth strategy combined with a lean, efficient, and agile operational approach to navigate the road ahead effectively.

Strategic focus

Our core objective for 2024/25 is to strengthen the foundation necessary for continuous, sustainable growth while remaining vigilant to global economic uncertainties. Strategically this means reinforcing our position in current markets, enhancing overall profitability, and building on the strong momentum in the women's segment. In the financial year these priorities will shape our actions as we take deliberate steps toward realizing our long-term vision.

Investments

In alignment with these principles, we will prioritize targeted investments in our core markets, with particular focus on Scandinavian and Germany. Most notably our investments in expansion of the Women's universe will continue in 2024/25.

Also, our successful direct-to-consumer (D2C) model in Denmark will be further adapted and strengthened in Germany and Sweden, laying the groundwork for further expansion through both physical stores and our effective omnichannel strategy.

Expectations 2024/25

The financial year 2024/25 presents an opportunity to strengthen our foundation while remaining true to our core mission: Delivering exceptional value to our customers through innovative, fashionable clothing and an unparalleled customer experience.

For the financial year 2024/25, the Company projects overall revenue to remain stable with a result before tax in the range of 8 to 10 MDKK. The outlook reflects a heightened focus on profitability and our ability to capitalize on strategic investments. Despite prevailing market conditions, our focused and agile approach position us strongly to achieve sustained growth and confidently adapt to an evolving macroeconomic landscape.

Uncertainty relating to recognition and measurement

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

Unusual events

The financial position at 30 September 2024 of the Company and the results of the activities and cash flows of the Company for the financial year for 2023/24 have not been affected by any unusual events.

Management's review

Subsequent events

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

Income statement 1 October 2023 - 30 September 2024

	Note	2023/24 TDKK	2022/23 TDKK
Gross profit		62,668	73,221
Staff expenses	1	-53,531	-47,557
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	2	-5,252	-4,440
Other operating expenses		-76	0
Profit/loss before financial income and expenses		3,809	21,224
Financial income	3	4,043	2,981
Financial expenses		-122	-751
Profit/loss before tax		7,730	23,454
Tax on profit/loss for the year	4	-1,794	-5,102
Net profit/loss for the year	5	5,936	18,352

Balance sheet 30 September 2024

Assets

	Note	2023/24 TDKK	2022/23 TDKK
Completed development projects		4,157	1,951
Intangible assets	6	4,157	1,951
Other fixtures and fittings, tools and equipment		865	1,657
Leasehold improvements		7,921	11,468
Property, plant and equipment	7	8,786	13,125
Deposits	8	2,105	2,322
Fixed asset investments		2,105	2,322
Fixed assets		15,048	17,398
Raw materials and consumables		5,180	10,240
Finished goods and goods for resale		55,647	56,881
Prepayments for goods		0	203
Inventories		60,827	67,324
Trade receivables		5,940	7,033
Receivables from group enterprises		43,537	37,356
Other receivables		602	514
Prepayments	9	4,230	3,371
Receivables		54,309	48,274
Cash at bank and in hand		48,075	57,506
Current assets		163,211	173,104
Assets		178,259	190,502

Balance sheet 30 September 2024

Liabilities and equity

	Note	2023/24	2022/23
		TDKK	TDKK
Share capital		63	63
Reserve for development costs		3,243	1,521
Retained earnings		127,756	128,542
Equity		131,062	130,126
Provision for deferred tax	10	1,005	542
Other provisions	11	2,352	2,821
Provisions		3,357	3,363
Prepayments received from customers		7,920	7,582
Trade payables		18,947	25,756
Payables to group enterprises relating to corporation tax		1,209	4,847
Other payables		15,764	18,828
Short-term debt		43,840	57,013
Debt		43,840	57,013
Liabilities and equity		178,259	190,502
Contingent assets, liabilities and other financial obligations	12		
Related parties	13		
Subsequent events	14		
Accounting Policies	15		

Statement of changes in equity

	Share capital	Reserve for development costs	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 October	63	1,521	128,542	130,126
Extraordinary dividend paid	0	0	-5,000	-5,000
Development costs for the year	0	1,722	-1,722	0
Net profit/loss for the year	0	0	5,936	5,936
Equity at 30 September	63	3,243	127,756	131,062

Notes to the Financial Statements

	2023/24 TDKK	2022/23 TDKK
1. Staff expenses		
Wages and salaries	47,273	42,554
Pensions	4,603	3,859
Other social security expenses	1,655	1,144
	53,531	47,557
Including remuneration to the Executive Board:		
Executive board	2,444	2,746
	2,444	2,746
 Average number of employees	 117	 99
	2023/24 TDKK	2022/23 TDKK
2. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		
Amortisation of intangible assets	1,422	877
Depreciation of property, plant and equipment	3,830	3,563
	5,252	4,440
Which is specified as follows:		
Amortisation - Acquired patents	1,422	877
Depreciation - Other fixtures and fittings, tools and equipment	958	1,112
Depreciation - Leasehold improvements	3,798	3,028
Store contribution	-926	-577
	5,252	4,440
	2023/24 TDKK	2022/23 TDKK
3. Financial income		
Interest received from group enterprises	2,119	2,600
Other financial income	1,564	274
Exchange gains	360	107
	4,043	2,981

Notes to the Financial Statements

	2023/24	2022/23
	TDKK	TDKK
4. Income tax expense		
Current tax for the year	1,234	4,847
Deferred tax for the year	463	274
Adjustment of tax concerning previous years	97	-19
	1,794	5,102

	2023/24	2022/23
	TDKK	TDKK
5. Profit allocation		
Extraordinary dividend paid	5,000	0
Retained earnings	936	18,352
	5,936	18,352

6. Intangible fixed assets

	Completed development projects
	TDKK
Cost at 1 October	3,629
Additions for the year	3,634
Disposals for the year	-679
Cost at 30 September	6,584
Impairment losses and amortisation at 1 October	1,678
Amortisation for the year	1,422
Reversal of impairment and amortisation of sold assets	-673
Impairment losses and amortisation at 30 September	2,427
Carrying amount at 30 September	4,157
Amortised over	3-5 years

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 solutions, which all are finalized, and will be used for the continuing growth for the Company.

Notes to the Financial Statements

7. Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improve- ments
	TDKK	TDKK
Cost at 1 October	4,389	20,915
Additions for the year	237	251
Disposals for the year	-313	0
Cost at 30 September	4,313	21,166
Impairment losses and depreciation at 1 October	2,732	9,447
Depreciation for the year	958	3,798
Reversal of impairment and depreciation of sold assets	-242	0
Impairment losses and depreciation at 30 September	3,448	13,245
Carrying amount at 30 September	865	7,921
Amortised over	2-5 years	5-10 years

8. Other fixed asset investments

	Deposits
	TDKK
Cost at 1 October	2,322
Additions for the year	37
Disposals for the year	-254
Cost at 30 September	2,105
Carrying amount at 30 September	2,105

9. Prepayments

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

Notes to the Financial Statements

	2023/24 TDKK	2022/23 TDKK
10. Provision for deferred tax		
Deferred tax liabilities at 1 October	542	268
Amounts recognised in the income statement for the year	463	274
Deferred tax liabilities at 30 September	1,005	542

	2023/24 TDKK	2022/23 TDKK
11. Other provisions		
Other provisions relate to returns as well as expected claims for complaints as a result of the Company's right of return and guarantee to customers.		
Other provisions	2,352	2,821
	2,352	2,821

	2023/24 TDKK	2022/23 TDKK
12. Contingent assets, liabilities and other financial obligations		
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	304	264
Between 1 and 5 years	145	140
	449	404

Lease obligations, period of non-terminability between 6 and 54 months (2022/23 3 and 67 months)	25,411	22,635
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Other contingent liabilities

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

Notes to the Financial Statements

13. Related parties and disclosure of consolidated financial statements

	<u>Basis</u>
Controlling interest	
Shaping New Tomorrow Holding ApS	Parent company

Transactions

The Company 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. No such transactions has occurred.

Consolidated Financial Statements

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

<u>Name</u>	<u>Place of registered office</u>
Shaping New Tomorrow Holding ApS	Aalborg, Denmark

The Group Annual Report of Shaping New Tomorrow Holding ApS may be obtained at the following address: Østre Havnegade 12, 1. th., 9000 Aalborg, Denmark.

14. Subsequent events

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

Notes to the Financial Statements

15. Accounting policies

The Annual Report of SNT ApS for 2023/24 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 2023/24 are presented in TDKK.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Shaping New Tomorrow Holding ApS, the Company has not prepared a cash flow statement.

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.

Leases

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

Translation policies

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

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

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

Notes to the Financial Statements

Income statement

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when the sale is considered effected based on the following criteria:

- delivery has been made before year end;
- a binding sales agreement has been made;
- the sales price has been determined; and
- payment has been received or may with reasonable certainty be expected to be received.

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 as well as office expenses, etc.

Gross profit

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

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

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.

Notes to the Financial Statements

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

Balance sheet

Intangible fixed assets

Development projects

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.

Property, plant and equipment

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

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

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

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 fixed 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.

Notes to the Financial Statements

Other fixed asset investments

Other fixed asset investments consist of deposits, which are measured at amortized cost. Provisions are made for expected losses.

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.

Provisions are measured and recognised based on experience with returns, claims and guarantees.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

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. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

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

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Notes to the Financial Statements

Financial liabilities

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

Financial Highlights

Explanation of financial ratios

Return on assets	$\text{Profit/loss of primary operations} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$