



Masai Clothing Company ApS

Hammerensgade 1, st. tv
1267 Copenhagen K
CVR No. 10279488

Annual report 01.07.2022 - 30.06.2023

The Annual General Meeting adopted the annual
report on 20.12.2023

Michael Ro Mejer
Chairman of the General Meeting

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Entity details

Entity

Masai Clothing Company ApS

Hammerensgade 1, st. tv

1267 Copenhagen K

Business Registration No.: 10279488

Registered office: Copenhagen

Financial year: 01.07.2022 - 30.06.2023

Board of Directors

Henrik Theilbjørn, Chairman

Henrik Ellebæk Steensgaard

Jacob Andersen

Executive Board

Henrik Ellebæk Steensgaard, Chief executive officer

Jacob Andersen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Masai Clothing Company ApS for the financial year 01.07.2022 - 30.06.2023.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 30.06.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.07.2022 - 30.06.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 20.12.2023

Executive Board

Henrik Ellebæk Steensgaard
Chief executive officer

Jacob Andersen

Board of Directors

Henrik Theilbjørn
Chairman

Henrik Ellebæk Steensgaard

Jacob Andersen

Independent auditor's report

To the shareholders of Masai Clothing Company ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of Masai Clothing Company ApS for the financial year 01.07.2022 - 30.06.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 30.06.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.07.2022 - 30.06.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 consolidated financial statements and the parent financial statements" section of this auditor's 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.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent 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 consolidated financial statements and the parent 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 Entity'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 consolidated financial statements and the parent 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 Entity'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 consolidated financial statements and the parent 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent 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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 20.12.2023

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Hans Tauby

State Authorised Public Accountant
Identification No (MNE) mne44339

Management commentary

Financial highlights

	2022/23	2021/22	2020/21	2019/20	2018/19
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Revenue	233,259	257,202	228,575	300,014	371,512
Gross profit/loss	52,891	58,750	25,899	45,445	109,715
Operating profit/loss	(5,903)	(29,772)	(167,262)	(7,507)	63,252
Net financials	(1,992)	5,021	11,071	8,104	9,148
Profit/loss for the year	(8,005)	(23,294)	(154,768)	(2,893)	56,327
Balance sheet total	97,424	117,783	151,794	304,873	332,241
Investments in property, plant and equipment	941	2,855	231	2,683	2,796
Equity	56,970	65,898	94,663	249,537	252,056
Cash flows from operating activities	(5,132)	2,884	(20,996)	-	-
Cash flows from investing activities	(1,105)	(5,648)	(6,312)	-	-
Cash flows from financing activities	5,000	(20,000)	0	-	-
Average number of employees	99	99	99	99	89
Ratios					
Gross margin (%)	22.67	22.84	11.33	15.15	29.53
Net margin (%)	(3.43)	(9.06)	(67.71)	(0.96)	15.16
Return on equity (%)	(13.03)	(29.02)	(89.93)	(1.15)	25.13
Equity ratio (%)	58.48	55.95	62.36	81.85	75.87

Since this is the first year consolidated financial statements has been prepared, only 2022/23, 2021/22 and 2020/21 are consolidated key figures. Previous periods' financial highlights are *only* Masai Clothing Company ApS (Parent Company).

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Gross margin (%):

$\frac{\text{Gross profit/loss} * 100}{\text{Revenue}}$

Net margin (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Revenue}}$

Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Balance sheet total}}$

Primary activities

As in previous years, the Company's primary activities are within design of women's lifestyle wear sold through wholesale, online and retail channels. The Company's products are mainly marketed in Northern and Western Europe and the United States. The Company is headquartered in Copenhagen and is represented by own and external showrooms in some of the largest cities in Northern and Western Europe. The Company has 12 directly operated retail stores in Denmark and direct E-commerce Business.

Development in activities and finances

The income statement shows a revenue of DKK 233,259 thousand realizing a decline of 9% compared to last year. Profit/Loss for the year was negative at DKK 8,005 thousand versus negative DKK 23,294 thousand last year.

Profit/loss for the year in relation to expected developments

The Company's financial performance meets the expectations set out last year of a declining revenue and a modest loss before Interests, tax and depreciations (EBITDA) for the year. The development is impacted by the general business environment in an economic climate with high inflation, high interest rate and a negative consumer sentiment.

Outlook

The current environment with high interest rates and low consumer sentiment is putting a damper on consumer spend in general. We will therefore look into a year with modest declining revenue through all channels. We are therefore expecting a modest loss before interest, tax and depreciations (EBITDA) for the year as a consequence of this environment. The expected revenue is DKK 205 – 215 million. The Expected EBITDA is DKK minus 2 to minus 5 million.

These expectations cause a continuous focus on management of our cost base. This initiative in combination with our sufficient financial resources will ensure a healthy business going forward. We still maintain a loyal customer base and are also even in the current environment able to attract a significant number of new customers.

Knowledge resources

An essential part of the Company's business is the design and conceptual development placing heavy demands on knowledge resources concerning employees engaged in this part of the Company. To maintain this knowledge, the Company must be able to recruit and keep employees with the relevant professional background. The Company aims at all times to secure the optimum mix of employees and the necessary adaptability. On several other essential business processes such as logistics and IT, the Company is seeking to secure the necessary adaptability by combining outsourcing and a mix of employees with high professional expert knowledge.

Environmental performance

Since the Company is not operating any in-house production, Management is of the opinion that the Company is not subject to any essential environmental conditions requiring a separate mentioning. Notwithstanding this, Masai has strong environmental priorities. We care about the environment and in particular how we produce our clothes. Therefore Masai is "Committed to Thoughtfulness" and has obtained several CSR certificates for our different product groups. More information can be found on our website.

Research and development activities

The Company has no actual research activities but has (similar to recent years) spent considerable resources on developing and designing products and concepts to maintain its market position.

Events after the balance sheet date

No significant events have occurred after the end of this financial period which affects the Company's financial position.

Consolidated income statement for 2022/23

	Notes	2022/23 DKK'000	2021/22 DKK'000
Revenue		233,259	257,202
Other operating income		1,271	6,575
Cost of sales		(91,594)	(100,262)
Other external expenses		(90,045)	(104,765)
Gross profit/loss		52,891	58,750
Staff costs	1	(53,877)	(55,269)
Depreciation, amortisation and impairment losses	2	(10,682)	(11,377)
Writedowns of current assets exceeding normal writedowns	3	5,765	(21,876)
Operating profit/loss		(5,903)	(29,772)
Other financial income	4	5,380	10,932
Other financial expenses	5	(7,372)	(5,911)
Profit/loss before tax		(7,895)	(24,751)
Tax on profit/loss for the year	6	(110)	1,457
Profit/loss for the year	7	(8,005)	(23,294)

Consolidated balance sheet at 30.06.2023

Assets

	Notes	2022/23 DKK'000	2021/22 DKK'000
Completed development projects	9	13,589	21,615
Goodwill		2,229	3,407
Intangible assets	8	15,818	25,022
Other fixtures and fittings, tools and equipment		737	1,066
Leasehold improvements		1,813	1,851
Property, plant and equipment	10	2,550	2,917
Fixed assets		18,368	27,939
Manufactured goods and goods for resale		32,361	36,626
Inventories		32,361	36,626
Trade receivables		9,617	12,976
Receivables from group enterprises		4,048	3,949
Other receivables		8,147	9,335
Tax receivable		0	10
Prepayments	11	2,514	3,342
Receivables		24,326	29,612
Cash		22,369	23,606
Current assets		79,056	89,844
Assets		97,424	117,783

Equity and liabilities

	Notes	2022/23 DKK'000	2021/22 DKK'000
Contributed capital	12	1,001	1,001
Reserve for development costs		10,636	16,860
Retained earnings		45,333	48,037
Equity		56,970	65,898
Other provisions	13	763	1,773
Provisions		763	1,773
Other payables	14	4,156	4,015
Non-current liabilities other than provisions	15	4,156	4,015
Trade payables		21,180	27,890
Tax payable		168	87
Other payables	16	14,187	18,120
Current liabilities other than provisions		35,535	46,097
Liabilities other than provisions		39,691	50,112
Equity and liabilities		97,424	117,783
Unrecognised rental and lease commitments	18		
Contingent liabilities	19		
Transactions with related parties	20		
Group relations	21		
Subsidiaries	22		

Consolidated statement of changes in equity for 2022/23

	Contributed capital DKK'000	Reserve for development costs DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	1,001	16,860	59,922	77,783
Adjustment of material errors	0	0	(11,885)	(11,885)
Adjusted equity, beginning of year	1,001	16,860	48,037	65,898
Exchange rate adjustments	0	0	(923)	(923)
Transfer to reserves	0	(6,224)	6,224	0
Profit/loss for the year	0	0	(8,005)	(8,005)
Equity end of year	1,001	10,636	45,333	56,970

Consolidated cash flow statement for 2022/23

	Notes	2022/23 DKK'000	2021/22 DKK'000
Operating profit/loss		(5,903)	(29,772)
Amortisation, depreciation and impairment losses		10,682	11,378
Writedown of current assets		(5,765)	21,876
Working capital changes	17	(2,162)	(4,178)
Other adjustments		38	3
Cash flow from ordinary operating activities		(3,110)	(693)
Financial income received		5,380	10,958
Financial expenses paid		(7,372)	(5,939)
Taxes refunded/(paid)		(30)	(1,442)
Cash flows from operating activities		(5,132)	2,884
Acquisition of fixed asset investments		(1,105)	(5,648)
Cash flows from investing activities		(1,105)	(5,648)
Free cash flows generated from operations and investments before financing		(6,237)	(2,764)
Repayment of debt to group enterprises		5,000	(20,000)
Cash flows from financing activities		5,000	(20,000)
Increase/decrease in cash and cash equivalents		(1,237)	(22,764)
Cash and cash equivalents beginning of year		23,606	46,370
Cash and cash equivalents end of year		22,369	23,606
Cash and cash equivalents at year-end are composed of:			
Cash		22,369	23,606
Cash and cash equivalents end of year		22,369	23,606

Notes to consolidated financial statements

1 Staff costs

	2022/23	2021/22
	DKK'000	DKK'000
Wages and salaries	50,400	51,304
Pension costs	3,078	3,359
Other social security costs	399	606
	53,877	55,269
Average number of full-time employees	88	99

	Remuneration of management 2022/23 DKK'000	Remuneration of management 2021/22 DKK'000
Executive Board	5,575	6,320
Board of Directors	450	450
	6,025	6,770

Management is employed in Masai Clothing Company ApS. Remuneration is solely in this company.

2 Depreciation, amortisation and impairment losses

	2022/23	2021/22
	DKK'000	DKK'000
Amortisation of intangible assets	9,374	9,241
Depreciation on property, plant and equipment	1,308	1,960
Profit/loss from sale of intangible assets and property, plant and equipment	0	176
	10,682	11,377

3 Writedowns of current assets exceeding ordinary writedowns

Writedowns of current assets that exceed normal writedowns includes writedowns of receivables from group enterprises.

4 Other financial income

	2022/23	2021/22
	DKK'000	DKK'000
Financial income from group enterprises	0	5,907
Other interest income	11	0
Other financial income	5,369	5,025
	5,380	10,932

5 Other financial expenses

	2022/23	2021/22
	DKK'000	DKK'000
Financial expenses from group enterprises	0	113
Other interest expenses	2	0
Other financial expenses	7,370	5,798
	7,372	5,911

6 Tax on profit/loss for the year

	2022/23	2021/22
	DKK'000	DKK'000
Current tax	245	484
Change in deferred tax	0	(2,843)
Adjustment concerning previous years	(135)	902
	110	(1,457)

7 Proposed distribution of profit/loss

	2022/23	2021/22
	DKK'000	DKK'000
Retained earnings	(8,005)	(23,294)
	(8,005)	(23,294)

8 Intangible assets

	Completed development projects DKK'000	Goodwill DKK'000
Cost beginning of year	47,628	11,518
Additions	170	0
Cost end of year	47,798	11,518
Amortisation and impairment losses beginning of year	(26,013)	(8,111)
Amortisation for the year	(8,196)	(1,178)
Amortisation and impairment losses end of year	(34,209)	(9,289)
Carrying amount end of year	13,589	2,229

9 Development projects

Recognized development projects comprise expenses held for the development of a new ERP system as well as development of the E-commerce platform. The ERP system replaced an old system and includes improved functionalities that can support the business decisions drive profitability in the company. The ERP system has been developed further throughout the year.

Investments has continued during the financial year to develop the functionality and to expand the market and thereby grow the business. The market potential is considered sufficiently favorable and therefore, the incurred expenses are recognized.

10 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000
Cost beginning of year	6,818	10,772
Additions	0	941
Disposals	(754)	0
Cost end of year	6,064	11,713
Depreciation and impairment losses beginning of year	(5,752)	(8,921)
Depreciation for the year	(329)	(979)
Reversal regarding disposals	754	0
Depreciation and impairment losses end of year	(5,327)	(9,900)
Carrying amount end of year	737	1,813

11 Prepayments

Prepayments comprise incurred costs relating to subsequent financial years.

12 Contributed capital

	Number	Nominal value DKK'000
Share capital	1,001,000	1,001
	1,001,000	1,001

13 Other provisions

Other provisions mainly relate to provisions for expected returns.

14 Other payables

	2022/23 DKK'000	2021/22 DKK'000
Holiday pay obligation	4,156	4,015
	4,156	4,015

15 Non-current liabilities other than provisions

	Due after more than 12 months 2022/23 DKK'000
Other payables	4,156
	4,156

16 Other payables

	2022/23 DKK'000	2021/22 DKK'000
VAT and duties	5,157	4,747
Wages and salaries, personal income taxes, social security costs, etc. payable	297	345
Holiday pay obligation	1,862	2,240
Other costs payable	6,871	10,788
	14,187	18,120

17 Changes in working capital

	2022/23 DKK'000	2021/22 DKK'000
Increase/decrease in inventories	(4,162)	4,778
Increase/decrease in receivables	4,509	(8,007)
Increase/decrease in trade payables etc.	(2,509)	(949)
	(2,162)	(4,178)

18 Unrecognised rental and lease commitments

	2022/23 DKK'000	2021/22 DKK'000
Total liabilities under rental or lease agreements until maturity	10,069	10,095

19 Contingent liabilities

The Parent and the Danish subsidiaries participate in a Danish joint taxation arrangement in which Daisy 2015 Management ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Parent and the Danish subsidiaries are therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

20 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

21 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Daisy 2015 Topco Limited, United Kingdom

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Masai Clothing Company ApS, Denmark

22 Subsidiaries

	Registered in	Corporate form	Ownership %	Equity DKK'000	Profit/loss DKK'000
Masai Clothing Company Limited	United Kingdom	Limited	100.00	3,892	1,388

Parent income statement for 2022/23

	Notes	2022/23 DKK'000	2021/22 DKK'000
Revenue		207,300	241,891
Other operating income		4,832	7,586
Cost of sales		(81,770)	(101,957)
Other external expenses		(80,821)	(91,873)
Gross profit/loss		49,541	55,647
Staff costs	1	(51,706)	(53,037)
Depreciation, amortisation and impairment losses	2	(10,658)	(11,227)
Writedowns of current assets exceeding normal writedowns	3	5,330	(21,876)
Operating profit/loss		(7,493)	(30,493)
Other financial income	4	5,318	10,673
Other financial expenses	5	(7,108)	(5,425)
Profit/loss before tax		(9,283)	(25,245)
Tax on profit/loss for the year	6	(110)	1,551
Profit/loss for the year	7	(9,393)	(23,694)

Parent balance sheet at 30.06.2023

Assets

	Notes	2022/23 DKK'000	2021/22 DKK'000
Completed development projects	9	13,589	21,615
Goodwill		2,229	3,407
Intangible assets	8	15,818	25,022
Other fixtures and fittings, tools and equipment		726	1,031
Leasehold improvements		1,813	1,851
Property, plant and equipment	10	2,539	2,882
Investments in group enterprises		0	6
Financial assets	11	0	6
Fixed assets		18,357	27,910
Manufactured goods and goods for resale		28,964	32,121
Inventories		28,964	32,121
Trade receivables		7,681	9,158
Receivables from group enterprises		11,326	15,258
Other receivables		7,808	8,763
Prepayments	12	2,514	3,342
Receivables		29,329	36,521
Cash		21,115	20,240
Current assets		79,408	88,882
Assets		97,765	116,792

Equity and liabilities

	Notes	2022/23 DKK'000	2021/22 DKK'000
Contributed capital		1,001	1,001
Reserve for development costs		10,636	16,860
Retained earnings		49,225	52,394
Equity		60,862	70,255
Other provisions	13	763	1,773
Provisions		763	1,773
Other payables	14	4,156	4,015
Non-current liabilities other than provisions	15	4,156	4,015
Trade payables		19,928	24,727
Tax payable		168	80
Other payables	16	11,888	15,942
Current liabilities other than provisions		31,984	40,749
Liabilities other than provisions		36,140	44,764
Equity and liabilities		97,765	116,792
Unrecognised rental and lease commitments	17		
Contingent liabilities	18		
Related parties with controlling interest	19		
Transactions with related parties	20		

Parent statement of changes in equity for 2022/23

	Contributed capital DKK'000	Reserve for development costs DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	1,001	16,860	52,394	70,255
Transfer to reserves	0	(6,224)	6,224	0
Profit/loss for the year	0	0	(9,393)	(9,393)
Equity end of year	1,001	10,636	49,225	60,862

Notes to parent financial statements

1 Staff costs

	2022/23 DKK'000	2021/22 DKK'000
Wages and salaries	48,229	49,231
Pension costs	3,078	3,321
Other social security costs	399	485
	51,706	53,037
Average number of full-time employees	88	95

	Remuneration of Manage- ment 2022/23 DKK'000	Remuneration of Manage- ment 2021/22 DKK'000
Executive Board	4,887	6,320
Board of Directors	395	451
	5,282	6,771

Management is employed in Masai Clothing Company ApS. Remuneration is solely in this company.

2 Depreciation, amortisation and impairment losses

	2022/23 DKK'000	2021/22 DKK'000
Amortisation of intangible assets	9,374	9,241
Depreciation on property, plant and equipment	1,284	1,819
Profit/loss from sale of intangible assets and property, plant and equipment	0	167
	10,658	11,227

3 Writedowns of current assets exceeding ordinary writedowns

Writedowns of current assets that exceed normal writedowns includes writedowns of receivables from group enterprises.

4 Other financial income

	2022/23 DKK'000	2021/22 DKK'000
Financial income from group enterprises	0	5,801
Other financial income	5,318	4,872
	5,318	10,673

5 Other financial expenses

	2022/23	2021/22
	DKK'000	DKK'000
Other financial expenses	7,108	5,425
	7,108	5,425

6 Tax on profit/loss for the year

	2022/23	2021/22
	DKK'000	DKK'000
Current tax	245	400
Change in deferred tax	0	(2,843)
Adjustment concerning previous years	(135)	892
	110	(1,551)

7 Proposed distribution of profit and loss

	2022/23	2021/22
	DKK'000	DKK'000
Retained earnings	(9,393)	(23,694)
	(9,393)	(23,694)

8 Intangible assets

	Completed development projects DKK'000	Goodwill DKK'000
Cost beginning of year	47,628	11,431
Additions	170	0
Cost end of year	47,798	11,431
Amortisation and impairment losses beginning of year	(26,013)	(8,024)
Amortisation for the year	(8,196)	(1,178)
Amortisation and impairment losses end of year	(34,209)	(9,202)
Carrying amount end of year	13,589	2,229

9 Development projects

Recognized development projects comprise expenses held for the development of a new ERP system as well as development of the E-commerce platform. The ERP system replaced an old system and includes improved functionalities that can support the business decisions drive profitability in the company. The ERP system has been developed further throughout the year.

Investments has continued during the financial year to develop the functionality and to expand the market and thereby grow the business. The market potential is considered sufficiently favorable and therefore, the incurred expenses are recognized.

10 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000
Cost beginning of year	5,018	10,772
Additions	0	941
Disposals	(754)	0
Cost end of year	4,264	11,713
Depreciation and impairment losses beginning of year	(3,987)	(8,921)
Depreciation for the year	(305)	(979)
Reversal regarding disposals	754	0
Depreciation and impairment losses end of year	(3,538)	(9,900)
Carrying amount end of year	726	1,813

11 Financial assets

	Investments in group enterprises DKK'000
Cost beginning of year	6
Disposals	(6)
Cost end of year	0
Carrying amount end of year	0

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

12 Prepayments

Prepayments comprise incurred costs relating to subsequent financial years.

13 Other provisions

Other provisions mainly relate to provisions for expected returns.

14 Other payables

	2022/23	2021/22
	DKK'000	DKK'000
Holiday pay obligation	4,156	4,015
	4,156	4,015

15 Non-current liabilities other than provisions

	Due after more than 12 months
	2022/23
	DKK'000
Other payables	4,156
	4,156

16 Other payables

	2022/23	2021/22
	DKK'000	DKK'000
VAT and duties	4,071	4,747
Wages and salaries, personal income taxes, social security costs, etc. payable	297	348
Holiday pay obligation	1,862	2,240
Other costs payable	5,658	8,607
	11,888	15,942

17 Unrecognised rental and lease commitments

	2022/23	2021/22
	DKK'000	DKK'000
Total liabilities under rental or lease agreements until maturity	7,852	8,751

18 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which Daisy 2015 Management ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

19 Related parties with controlling interest

Daisy 2015 Management ApS owns all shares in Masai Clothing Company ApS, thus exercising control (immediate parent)

Daisy 2015 Debtco Limited owns all shares in Daisy 2015 Management ApS, thus exercising control

Daisy 2015 Holdco Limited owns all shares in Daisy 2015 Debtco Limited, thus exercising control

Daisy 2015 Midco Limited owns all shares in Daisy 2015 Holdco Limited, thus exercising control

Daisy 2017 Loanco Limited owns all shares in Daisy 2015 Midco Limited, thus exercising control

Daisy 2015 Topco Limited owns all the shares in Daisy 2017 Loanco Limited, thus ultimate exercising control (ultimate parent)

20 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

There have been minor adjustments made to the comparison figures. These adjustments do not affect the result or net asset.

Material errors in previous years

In connection with the preparation of the annual report, a material misstatement from the previous year has been corrected. The identified misstatement relates to receivables from group enterprises not having been written down in the consolidated financial statements. The write-down amounts to DKK 11,885 thousand and has been corrected via the equity in the opening balance 2022.

Further, an elimination of DKK 11,282 thousand between receivables from group enterprises and payables to group enterprises has been recorded in the consolidated financial statements.

The misstatements do not influence the profit and loss statement.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Business combinations

Newly acquired or newly established enterprises are recognised in the financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the income statement up to the time of their divestment or winding-up.

The uniting-of-interests method is applied on acquisition of enterprises, mergers, demergers, contributions of assets and exchanges of shares, etc. in which the enterprises concerned are controlled by the Parent, under which method the combination is considered completed at the date of acquisition without restatement of comparative figures. Under the uniting-of-interests method, the acquiree's assets and liabilities are recognised at their carrying amounts, adjusted for any differences in accounting policies and accounting estimates. The difference between the consideration agreed and the carrying amount of the acquiree is recognised in equity.

Income statement

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for normal inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise wages and salaries, and social security contributions, pension contributions, etc. for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Writedowns of current assets exceeding normal writedowns

Writedowns of current assets exceeding normal writedowns are those on inventories, receivables and other current assets that differ from normal writedowns of these items.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet**Goodwill**

Goodwill comprises the Company's purchase of stores and leases. Goodwill is initially measured at cost less accumulated amortisation. Amortisation is made on a straight-line basis over the expected useful life of up to ten years in relation to the lease contract.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc.

Intellectual property rights etc comprise purchased software.

Intellectual property rights acquired are measured at cost less accumulated amortisation. The amortisation period is five years.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Other fixtures and fittings, tools and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are measured at cost and are written down to the lower of recoverable amount and carrying amount.

Inventories

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

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

If goods are sold on approval, a provision is made for the mark-up on the goods estimated to be returned as well as any expenses related to the returns.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash.